Building a Stronger
Pacific Northwest
OUR IMPACT: 2000–2014

$3.3 BILLION IN CAPITAL LEVERAGED

14 COMMUNITY CENTERS FINANCED

2 JOB TRAINING FACILITIES CREATED

$141 MILLION IN COMMUNITY DEVELOPMENT LOANS

1.13 MILLION SQ FT RETAIL AND INDUSTRIAL SPACE DEVELOPED

14 CHILDCARE FACILITIES FINANCED

23,715 AFFORDABLE HOUSING UNITS CREATED OR PRESERVED

7 ARTS AND CULTURAL CENTERS BUILT

1 CHARTER SCHOOL SUPPORTED
Dear Friends, Partners, Donors, and Colleagues,

Thank you for all you do to help us realize our shared vision of equitable, vibrant, and sustainable communities throughout Washington State and, with our recent expansion, Portland, Oregon and its surrounding counties. Before our eyes, the Seattle metropolitan area has become one of the most expensive housing regions to live in the country. Affordable housing is pushed further and further from job centers; sources of funding that traditionally provide financing have become scarce, and we know this will have a ripple effect. We are working closely with our board, community partners and investors to address these new challenges. It is a time when your support is more important than it has ever been.

Since our founding in 2000, Impact Capital has partnered with hundreds of nonprofit organizations. The Impact Capital model is simple – through our lending and community building programs, we work with local investors and public funders to invest in local communities. We leverage funds from regional, state and federal sources with the assistance of our national partners, the Local Initiatives Support Corporation (LISC) and the National Equity Fund (NEF).

Our lending program is a catalyst for investment and provides early, patient capital to help create affordable housing and community facilities that serve families, students, businesses, and workers in communities across the region.

Impact Capital’s community building program convenes community and neighborhood groups while providing technical assistance and funding to assist them in creating equitable and sustainable communities.

In 2014 we are proud to report that we successfully -

- Provided $6.1 million in financing for the creation or preservation of 574 units of affordable housing in both rural and urban communities.
- Helped create safe and healthy neighborhoods by bringing resources to Washington from our strategic partner, LISC, including $104,000 in HUD Section 4 capacity building grants to five King and Spokane County organizations.
- Provided capacity-building support to business districts in Tacoma and Spokane.
- Delivered technical assistance and staffing support to Skyway Solutions, an emerging community development organization in unincorporated King County.

With the generous support Impact Capital received in 2014 we realized many achievements that will set the stage for great things in 2015 and beyond. We continue to think big, expand our market, and collaborate with new and long-term partners. You can support our ongoing efforts to nurture Pacific Northwest neighborhoods by making a donation, and by sharing your favorite story from this report with your friends and colleagues.

Sincerely,

Kim Herman, Board Chair
Judith Olsen, President
How are we a catalyst for building strong communities?

We partner to connect people with the resources they need to create vibrant, healthy neighborhoods, revitalize commercial districts and help create sustainable communities were people want to live, work, and play.
At Impact Capital, **our mission** is to be the leading catalyst in building and advocating for equitable, vibrant, and sustainable **communities**.
Clean, safe, affordable homes protect our most vulnerable neighbors

CAROLINE W. APARTMENTS, SEATTLE, WASHINGTON

Impact Capital provided critical financing (2007-2013) for site acquisition and predevelopment expenses to Community House Mental Health Agency. Each loan helped the agency secure permanent financing for the Caroline W. Apartments which, in 2014, became home to 44 low-income individuals recovering from homelessness and living with chronic mental illness. Built in Seattle’s densely populated, transit-rich, and high-rent Capitol Hill neighborhood, the Caroline W. Apartments provide individuals who would otherwise not be able to live in the neighborhood with thoughtfully designed studios, supportive services and a family atmosphere that welcomes residents to grow at their own pace.

$6.1 MILLION loans closed in 2014

100% of our financing benefited low-income individuals
Capital for new projects can be scarce for nonprofits, housing authorities, and tribal entities. We offer essential early-stage financing not available elsewhere in the marketplace, which jumpstarts development and attracts more financing.
As a nonprofit community development financial institution, we raise capital from banks and foundations that allows us to provide innovative, high-touch, first-in financing to nonprofits, housing authorities, and tribal entities. Our flexible and creative lending program can provide capital at every stage of development. Our capital is the catalyst that enables construction of affordable housing and community facilities that enhance quality of life for underserved and low-income residents.

Ending homelessness in rural Washington

LILAC PLACE, WOODLAND, WASHINGTON

Impact Capital provided a property acquisition loan to the Longview Housing Authority to acquire a site and construct Lilac Place. Impact Capital was the only lender who could find a creative solution to help the housing authority purchase the property within a complicated tax credit financing structure. Lilac Place provides 38 much needed affordable housing units, with a large majority of units reserved for the community’s most vulnerable populations. Senator Patty Murray was on hand for the opening last summer to welcome residents to their new home.
150 new charter school seats
574 affordable homes created or preserved
Building community capacity to preserve a diverse neighborhood

SEATTLE’S CHINATOWN INTERNATIONAL DISTRICT, SEATTLE, WASHINGTON

Since 2010, Impact Capital and LISC have provided more than $80,000 in HUD Section 4 Capacity Building grants to the Seattle Chinatown International District Preservation and Development Authority (SCIDpda) to catalyze projects ranging from the restoration of historic Canton Alley to the transformation of a vacant commercial space into Hing Hay Coworks, a collaborative work space for entrepreneurs, freelancers and start-ups. The pedestrians pictured here pass in front one of many facades renovated by SCIDpda.

50,600 sq ft of community & commercial facilities developed • $104K HUD Section 4 capacity building grants awarded
We help community builders and stakeholders access resources that expand their capacity to create equitable, vibrant, and sustainable communities.
Safe and modern facilities help rebuild a community

ARLINGTON HIGH SCHOOL, ARLINGTON, WASHINGTON

In the summer of 2014 the Seattle Seahawks, in partnership with the NFL Foundation, ESPN, LISC and Impact Capital, selected Arlington High School as the recipient of two awards - an NFL Grassroots Program award of $200,000 and a $25,000 ESPN grant. At a time when the community was still recovering from the devastating effects of the Oso mudslide in March 2014, the awards allowed the school to install a new synthetic turf on its football field which created a safer playing surface and freed up capital for the school to use for other needed facility repairs.

Impact Capital helps people access diverse grant programs and technical assistance to increase neighborhood know-how for targeted revitalization efforts. We partner with neighborhood organizations to strengthen commercial districts, increase public safety, develop parks and open space, and improve educational opportunities.
$16 MILLION in public investments in infrastructure and housing since we launched comprehensive revitalization initiatives in Spokane and Tacoma
Equipping small businesses to sustain vibrant neighborhood commercial districts

COMMERCIAL CORRIDORS, SPOKANE, WASHINGTON

For more than five years Impact Capital has partnered with community organizations in Spokane to strengthen the city’s distressed commercial corridors. In 2014 we partnered with the Greater Hillyard Business Association and the East Spokane Business Association to provide small business owners with tips and tools for improving their window displays.

$72K Puget Sound Equity Network grants awarded
22 organizations assisted through grants & direct technical assistance
Strong communities are equitable, vibrant and sustainable

Over the past 15 years, Impact Capital has lent $135 million – and leveraged over $3.4 billion – to create and preserve affordable housing, community facilities and retail space that enhance the lives of low- and moderate-income residents.
We applaud the Impact Capital family of supporters who make everything possible. We are proud to list our friends, partners, donors, and colleagues with whom we worked in 2014. Each and every one of you helps us build vibrant communities.

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**2014 GRANTEES**

**EQUITY NETWORK CAPACITY BUILDING GRANTS**

**SEATTLE**
- Capitol Hill Champion/Capitol Hill Chamber of Commerce
- Capitol Hill Housing
- El Centro de la Raza
- FEEST/Shunpike Arts Collective
- Forterra
- Got Green/White Center Community Development Association
- HomeSight
- Puget Sound Sage
- Rainier Beach Community Empowerment Coalition
- Vietnamese Friendship Association, East African Community Services, and Somali Community Services/HomeSight

**KING COUNTY**
- Eastside Community Network/Comprehensive Health Education Foundation
- OneAmerica

**SOUTH KING COUNTY**
- Global to Local
- Para los Niños

**HUD SECTION 4 CAPACITY BUILDING GRANTS**
- Capitol Hill Housing, King County
- Seattle Chinatown International District Preservation and Development Authority (SCIDpda), King County
- Skyway Solutions, King County
- Spokane Low Income Housing Consortium (SLIHC), Spokane
- White Center Community Development Association, King County

**TECHNICAL ASSISTANCE RECIPIENTS**
- East Spokane Business Association, Spokane
- Greater Hillyard Business Association, Spokane
- Skyway Solutions, King County
- South Tacoma Neighborhood, Tacoma
- Washington State Housing Finance Commission

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**2014 BORROWERS**

- Catholic Housing Services of Western Washington
- Bakerview Family Housing, Bellingham
- Compass Housing Alliance
  - Compass at Ronald Commons, Shoreline
- Downtown Action to Save Housing (DASH)
  - DASH Line of Credit, Bellevue
- Excel Public Charter School
  - Excel Public Charter School, Kent
- Fourth & Pearl Family Housing LLC
  - Fourth and Pearl Family Housing, Pasco
- Hilltop House Foundation
  - Hilltop House Apartments, Seattle
- HopeWorks Social Enterprises
  - HopeWorks Station, Everett
- Housing Hope
  - Monroe Family Village, Monroe
- Multi-Service Center
  - Veterans Housing Project, Federal Way
- Northaven Development
  - Northaven III, Seattle
- Second Step Housing
  - The Meadows at Fourth Plain, Vancouver
THANK YOU FOR HELPING US SUPPORT VIBRANT COMMUNITIES

CORPORATE AND FOUNDATION DONORS
AmazonSmile Foundation
AmericanWest Bank
Bank of America Foundation
Banner Bank
KeyBank Foundation
Local Initiatives Support Corporation (LISC)
Olympia Federal Savings
State Farm (through LISC)
The Seattle Foundation
U.S. Bank Foundation
Union Bank Foundation
Washington Community Reinvestment Association
Wells Fargo

INVESTORS
1st Security Bank of Washington
Bank of America Community Development Corporation
Banner Bank
Boeing Employees’ Credit Union (BECU)
City of Seattle, Office of Housing
City of Tacoma
Columbia State Bank
Key Community Development Corporation
State of Washington Department of Commerce
The Erich & Hannah Sachs Foundation
The Northern Trust Company
U.S. Bancorp Community Development Corporation
Washington State Housing Finance Commission

INDIVIDUAL SUPPORTERS
Michael Brown
Laurie Cromwell
Susan Duren
Bryan Ketcham
Jan Laskey
Michael Levine
Chris Persons
Randy Robinson
Guillermo Sandoval
Jill Summit
Maiko Winkler-Chin

THE IMPACT CAPITAL TEAM

STAFF
Judith Olsen, President
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   Community Building and Development
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Seth Benziger, Program Officer, Lending
Michael Blumson, Program Officer, Community Building
Dey Brown, Senior Accountant
Michael Murray, Assistant Program Officer, Compliance
Melissa Owen, Program Officer, Community Building
Eric Spiess, Associate Program Officer, Lending
Jill Summit, Contract CPA

BOARD OF DIRECTORS
Kim Herman, Board Chair,
   Washington State Housing Finance Commission
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Lowel Krueger, Secretary, Yakima Housing Authority
Susan Duren, Board Treasurer,
   Washington Community Reinvestment Association
Randy Robinson, Immediate Past Board Chair,
   Community Development Professional
Judith Olsen, President
Kim Etherton, Umpqua Bank
Saeed Hajarizadeh, Vancouver Housing Authority
Bryan Ketcham, Catholic Charities Housing Services of Yakima
Jan Laskey, Bank of America
Christopher Persons, Capitol Hill Housing
Doug Prince, Foster Pepper PLLC
Steve Walker, Office of Housing, City of Seattle
Maiko Winkler-Chin, Seattle Chinatown International District Preservation and Development Authority
Promoting neighborhood character through diverse housing, transit, arts and small businesses

12TH AVENUE ARTS, SEATTLE, WASHINGTON

Since 2007 Impact Capital, in partnership with LISC, has provided Capitol Hill Housing with loans and HUD Section 4 Capacity Building grants for collaborative efforts with local nonprofits to create affordable housing, bolster small businesses and improve transit and pedestrian access. In 2014 Capitol Hill Housing transformed a parking lot into 12th Avenue Arts, a vibrant, six-story mixed-use building in Seattle’s densely populated Capitol Hill neighborhood. The 12th Avenue Arts building features affordable apartments, nonprofit office space, community meeting space, two theaters, local restaurants, and underground parking for the Seattle Police Department.

STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>ASSETS</th>
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<tbody>
<tr>
<td>Cash &amp; Investments</td>
<td>$15,000,072</td>
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<tr>
<td>Loans Receivable</td>
<td>$5,831,420</td>
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<td>Accounts Receivable &amp; Other Assets</td>
<td>$210,188</td>
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<td><strong>Total Assets</strong></td>
<td>$21,041,680</td>
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<table>
<thead>
<tr>
<th>LIABILITIES &amp; NET ASSETS</th>
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<tr>
<td>Accounts &amp; Other Payables</td>
<td>$130,755</td>
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<td>Loans Payable</td>
<td>$17,250,000</td>
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<td><strong>Total Liabilities</strong></td>
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<td><strong>Net Assets</strong></td>
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<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td>$21,041,680</td>
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STATEMENT OF ACTIVITIES

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<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
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<td><strong>Revenues</strong></td>
<td>$1,354,936</td>
<td>$200,000</td>
<td>$1,554,936</td>
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<td><strong>Net Assets Released from Restriction</strong></td>
<td>($98,549)</td>
<td>$98,549</td>
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<td><strong>Total Revenue</strong></td>
<td>$1,256,387</td>
<td>$298,549</td>
<td>$1,554,936</td>
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<td><strong>Total Expense</strong></td>
<td>$1,303,444</td>
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<td>$1,303,444</td>
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<td><strong>Change in Net Assets</strong></td>
<td>($47,057)</td>
<td>$298,549</td>
<td>$251,492</td>
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<td><strong>Net Assets Beginning of the Year</strong></td>
<td>$1,492,248</td>
<td>$1,917,185</td>
<td>$3,409,433</td>
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<td><strong>Net Assets</strong></td>
<td>$1,445,191</td>
<td>$2,215,734</td>
<td>$3,660,925</td>
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**Financial Overview**

**December 31, 2014**

**REVENUE**

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<tr>
<th>Source</th>
<th>Amount</th>
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<tr>
<td>Program Interest &amp; Fees</td>
<td>$935,186</td>
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<td>Contributed Income</td>
<td>$358,977</td>
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<td>Program Contracts</td>
<td>$236,721</td>
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<td>Investment Earnings</td>
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<td><strong>Total</strong></td>
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**EXPENSE**

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<th>Source</th>
<th>Amount</th>
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<tbody>
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<td>Lending &amp; Community Building</td>
<td>$975,199</td>
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<tr>
<td>Management &amp; General</td>
<td>$264,446</td>
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<td>Fundraising</td>
<td>$63,799</td>
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<td><strong>Total Expenses</strong></td>
<td><strong>$1,303,444</strong></td>
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<tr>
<td>Operating Overhead</td>
<td>25.18%</td>
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</tbody>
</table>

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Pass it on

Do you like the stories in this report? Please share them with your friends and colleagues.

Photo by William Wright
Partners for strong Northwest communities

Together we can make a lasting impact

Impact Capital

206-587-3200 or 800-336-0679
www.impactcapital.org

A strategic partner of LISC

Photo by Dana Reinke; front cover photo by Doug Evans