

# Building a Stronger Pacific Northwest

ANNUAL REPORT

2014



**OUR IMPACT:  
2000-2014**



**14**

**COMMUNITY  
CENTERS  
FINANCED**

**\$3.3  
BILLION IN  
CAPITAL  
LEVERAGED**



**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**



**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?

**EDUCATION**

**SAFETY**

**HEALTH**

**HOUSING**

**BUSINESS**

We partner to connect people with the resources they need to create vibrant, healthy neighborhoods, revitalize commercial districts and help create sustainable communities where people want to live, work, and play.

Here is what our work looks  
like in communities >>>



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.

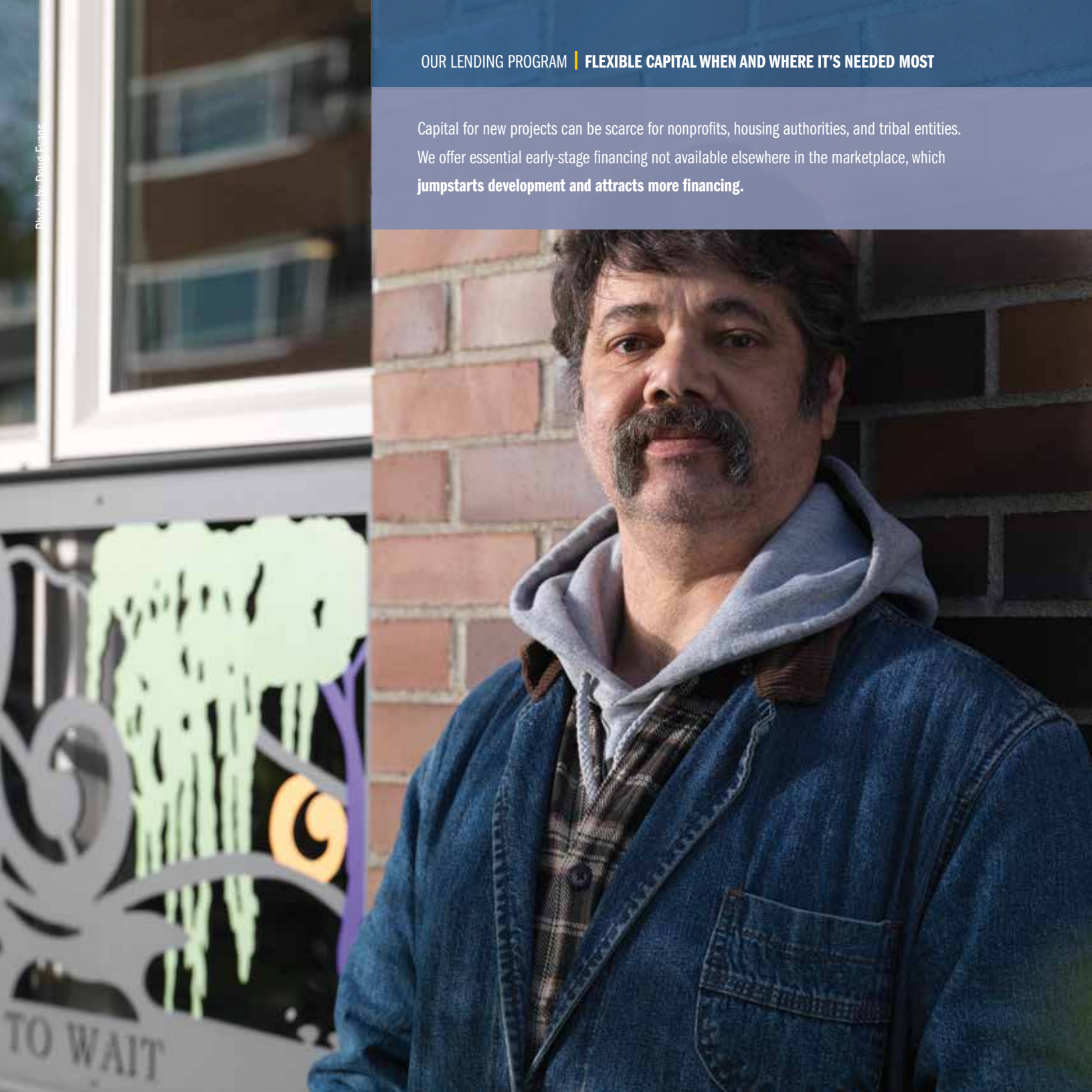
**\$6.1 MILLION** loans closed in 2014  
**100%** of our financing benefited  
**low-income individuals**



OUR LENDING PROGRAM | FLEXIBLE CAPITAL WHEN AND WHERE IT'S NEEDED MOST

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.**

Photo by David Egan



# Ending homelessness in rural Washington

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.



## 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**



OUR COMMUNITY BUILDING PROGRAM | CATALYTIC RESOURCES FOR REVITALIZATION

We help community builders and stakeholders access resources that expand their capacity to **create equitable, vibrant, and sustainable communities.**

Photo by Doug Evans





## Safe and modern facilities help rebuild a community



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.

### **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.



**\$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.

## 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

## 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

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

## THE IMPACT CAPITAL TEAM

### STAFF

Judith Olsen, President  
 McCaela Daffern, Vice President,  
 Community Building and Development  
 Chris Moxon, Vice President, Lending  
 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  
 Guillermo Sandoval, Vice Board Chair, Banner Bank  
 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

#### ASSETS

Cash & Investments	\$15,000,072
Loans Receivable	\$5,831,420
Accounts Receivable & Other Assets	\$210,188
<b>Total Assets</b>	<b>\$21,041,680</b>

#### LIABILITIES & NET ASSETS

Accounts & Other Payables	\$130,755
Loans Payable	\$17,250,000
Total Liabilities	\$17,380,755
Net Assets	\$3,660,925
<b>Total Liabilities &amp; Net Assets</b>	<b>\$21,041,680</b>

### STATEMENT OF ACTIVITIES

	Unrestricted	Temporarily Restricted	Total
Revenues	\$1,354,936	\$200,000	\$1,554,936
Net Assets Released from Restriction	(\$98,549)	\$98,549	\$0
<b>Total Revenue</b>	<b>\$1,256,387</b>	<b>\$298,549</b>	<b>\$1,554,936</b>
Total Expense	\$1,303,444	\$0	\$1,303,444
Change in Net Assets	(\$47,057)	\$298,549	\$251,492
Net Assets Beginning of the Year	\$1,492,248	\$1,917,185	\$3,409,433
<b>Net Assets</b>	<b>\$1,445,191</b>	<b>\$2,215,734</b>	<b>\$3,660,925</b>

# Pass it on

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Photo by William Wright

## Financial Overview

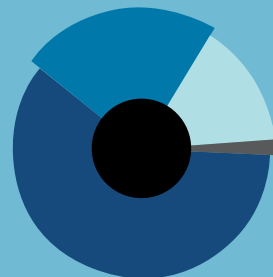
December 31, 2014

### REVENUE

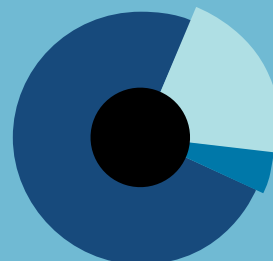
Program Interest & Fees	\$935,186
Contributed Income	\$358,977
Program Contracts	\$236,721
Investment Earnings	\$24,052
<b>Total</b>	<b>\$1,554,936</b>

### EXPENSE

Lending & Community Building	\$975,199
Management & General	\$264,446
Fundraising	\$63,799
<b>Total Expenses</b>	<b>\$1,303,444</b>
Operating Overhead	25.18%



Program Contracts  
Program Interest & Fees  
Investment Earnings  
Contributed Income



Management & General  
Fundraising  
Lending & Community Building

# Partners for strong Northwest communities

Together we can make  
a lasting impact

Photo by Dana Reinke; front cover photo by Doug Evans



206-587-3200 or 800-336-0679

[www.impactcapital.org](http://www.impactcapital.org)

*A strategic partner of*

