



2013

## **IMPACT CAPITAL 2013 ANNUAL REPORT**

*Together We're Building Equitable, Vibrant  
& Sustainable Communities in Washington State*



**Impact Capital  
helps build vibrant  
communities for  
generations of  
healthy families**



## THANK YOU FOR HELPING US SUPPORT VIBRANT COMMUNITIES

Dear Friends,

For all you do to help us realize our shared vision to nurture equitable, vibrant, and sustainable communities in Washington State, we thank you deeply.

With the generous support Impact Capital received in 2013 from friends, partners, donors, and colleagues, we successfully:



Provided **\$4.6 million in financing** for the creation or preservation of **962 units of affordable housing** in both rural and urban communities throughout Washington.



Helped create **safe and healthy neighborhoods** by bringing resources to Washington from our national partner, Local Initiative Support Corporation (LISC), which included **\$129,660 in HUD Section 4 capacity building grants** for three Seattle organizations.



Provided **organizational support** to business associations in Spokane's East University District and the Hillyard Historic Core.



Worked alongside City of Seattle teams to create **vibrant commercial districts**.



Provided **technical assistance plus \$85,230 in grant money** to support the work of **34 nonprofit organizations** as part of the **Puget Sound Regional Equity Network**.



Convened community development **roundtables** in Spokane and Yakima featuring local **elected officials, government leaders, nonprofit developers and service providers**.

Your contributions make it possible for Impact Capital to connect people with resources through our lending and community building programs. You can support our ongoing efforts to nurture Northwest neighborhoods by making a donation, and by sharing your favorite stories from this report with your friends and colleagues.

Sincerely,

Kim Herman, Board Chair

Judith Olsen, Executive Director



**OUR FOCUS**

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*Impact Capital helps  
connect people with resources*

**INVEST**

We invest in organizations that build and nurture Northwest communities.

**SUSTAIN**

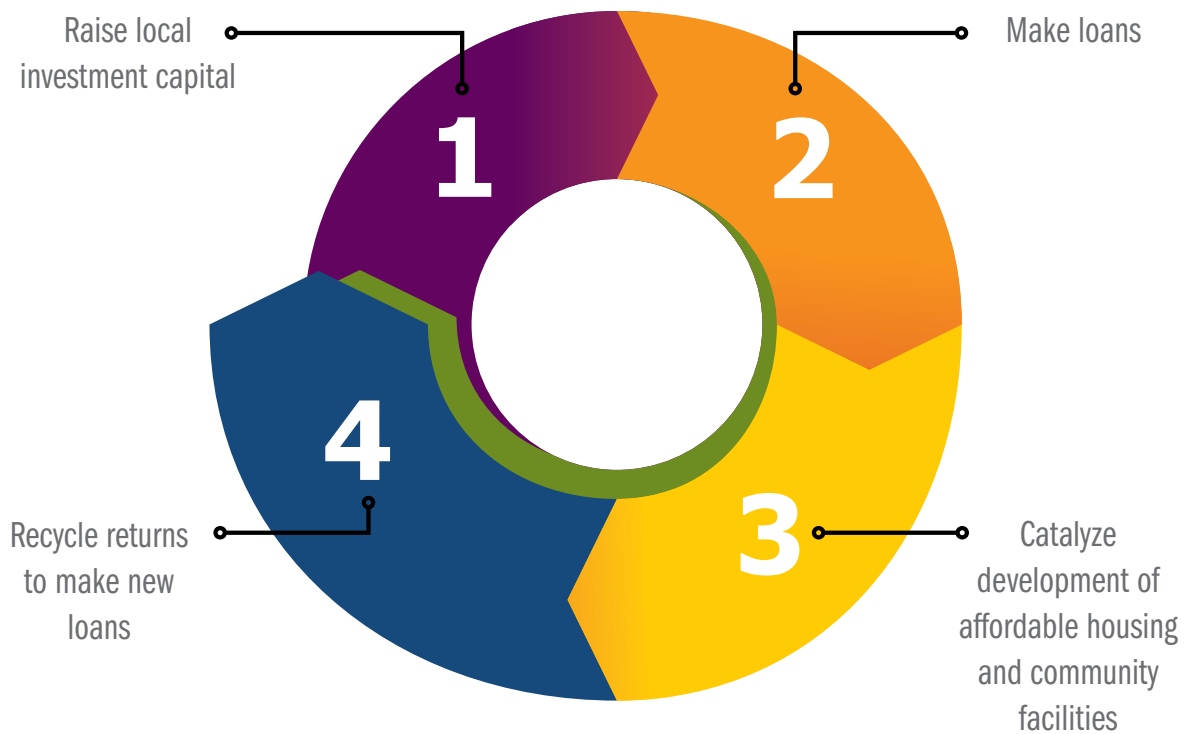
We sustain nonprofits by building their capacity through technical assistance and grants.

**PARTNER**

We partner with people and organizations to help transform underserved communities and make Washington stronger.

**FLEXIBLE, TIMELY FINANCING HELPS NONPROFITS BUILD COMMUNITIES**

As a nonprofit Community Development Financial Institution (CDFI), 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, enabling construction of affordable housing and community facilities for Washington's underserved and low-income residents.

**How our lending program works**





### **Why we do what we do**

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We believe that vibrant, safe and healthy communities benefit everyone in Washington State.

### **Our lending program is a catalyst for investment**

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We provide early, flexible loan capital to help create affordable housing and community facilities that serve families, students, businesses, and workers in communities across Washington State.

## SAFE, AFFORDABLE HOUSING FOR HEALTHY FAMILIES AND VIBRANT NEIGHBORHOODS



### MT. BAKER HOUSING ASSOCIATION

#### *BREATHING LIFE INTO PROBLEM PROPERTIES*

With the help of predevelopment and rehabilitation loans from Impact Capital, Mt. Baker Housing Association is transforming three formerly rundown southeast Seattle apartment buildings. When finished, the existing residents will have a quality, affordable place to live coupled with resident services to connect tenants to community resources.



### GENESIS HOUSING SERVICES, AN AFFILIATE OF CATHOLIC HOUSING SERVICES

#### *HOUSING FARMWORKERS IN WASHINGTON'S BREADBASKET*

In 2013 Impact Capital provided a loan to Genesis Housing Services to acquire a site in Royal City, a diverse, multicultural farming community of 2,000 people where more than half the residents live in poverty, and more than 90 families are waitlisted for affordable housing. When construction is complete, this site will provide low-income families with water- and energy-efficient townhomes in a service-enriched community, providing stability and opportunity to families in the Royal Slope area.



*We can strengthen Washington's agricultural industry with quality homes for farmworkers*

"Thanks to nonprofit lenders like Impact Capital, we'll create much-needed quality homes for 50 farmworkers and their families in Royal City, addressing a critical need while strengthening Washington's \$9.89 billion agricultural community."

– Bryan Ketcham, Director of Catholic Charities Housing Services





## BUILDING CAPACITY TO STRENGTHEN COMMUNITIES

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To help communities increase their capacity to revitalize neighborhoods and commercial corridors, we connect community builders with essential resources and education.



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### How our community building program works

Training for  
nonprofits



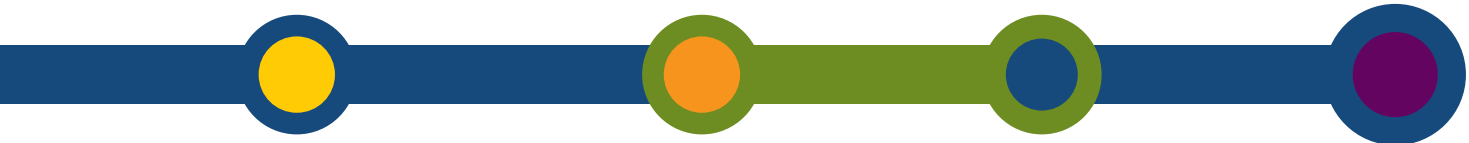
Stakeholder  
engagement



Direct  
technical  
assistance



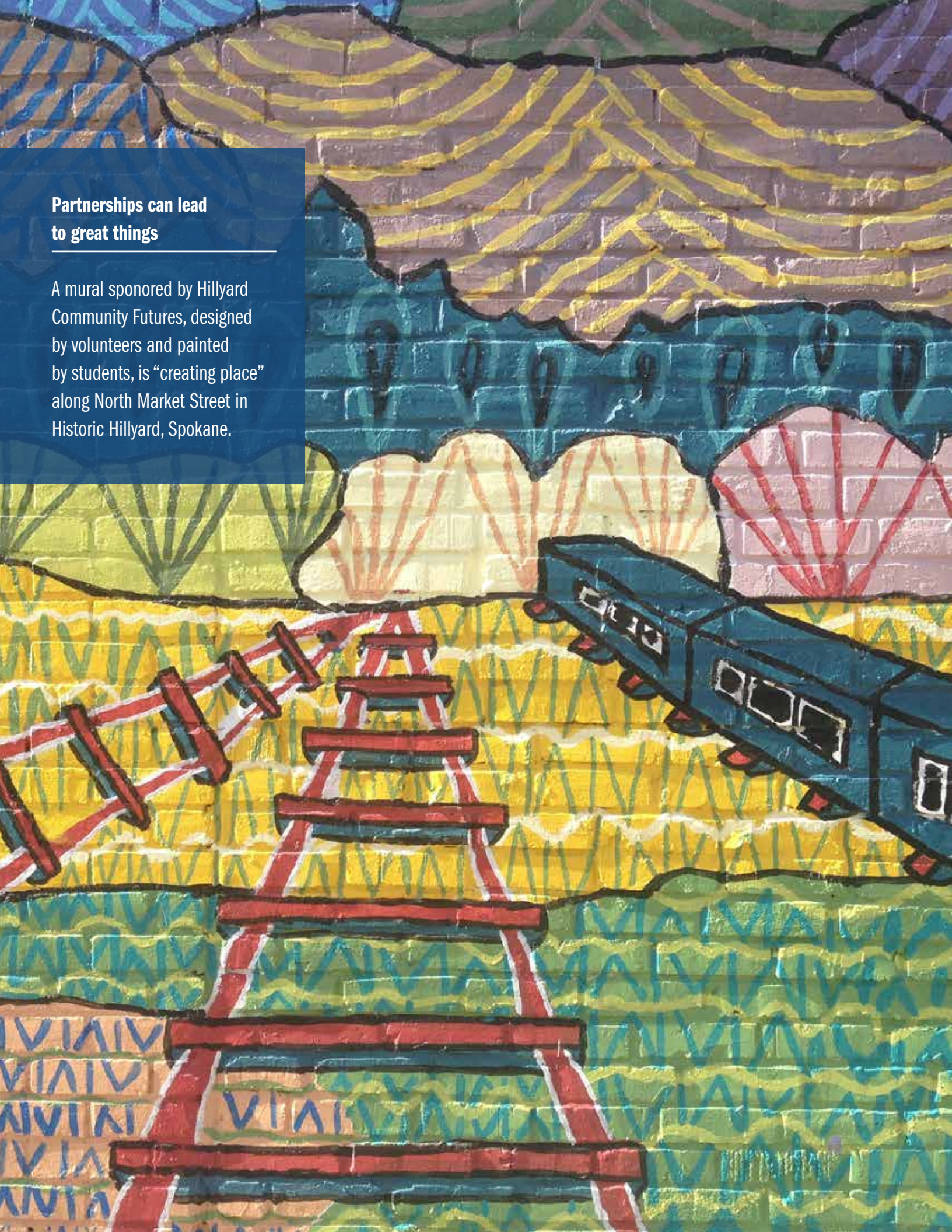
Capacity  
building  
grants





**Partnerships can lead  
to great things**

A mural sponsored by Hillyard Community Futures, designed by volunteers and painted by students, is “creating place” along North Market Street in Historic Hillyard, Spokane.





## WE LEVERAGE INCREMENTAL SUCCESSES TO PROMOTE ONGOING COMMUNITY INVESTMENT



### EAST UNIVERSITY DISTRICT, SPOKANE

#### *A LONG-TERM COMMITMENT TO BUILDING VIBRANT COMMUNITIES*

Since 2009, Impact Capital has partnered with nonprofits, government agencies, and business associations to revitalize Spokane's East University District, an area plagued by disinvestment since Interstate 90 bisected the neighborhood in the 1960s. During a five year period we granted more than \$165,000, supported a traffic calming project along the neighborhood's main corridor, helped recruit and sustain new retail businesses, and financed Sprague Union Terrace, the first significant affordable housing project since the freeway was built.



### PUGET SOUND EQUITY NETWORK, SEATTLE

#### *SUPPORTING EQUITABLE COMMUNITIES*

Impact Capital served as the host agency for the Puget Sound Regional Council-sponsored Equity Network, which helped community members advocate for equitable development along Puget Sound transit corridors. Since 2011, the Equity Network invested \$450,000 in community organizations in King, Pierce, and Snohomish counties. In 2013 Network members mobilized community leaders to organize and host the first ever Equity Summit. This event brought together dozens of organizations and over 400 philanthropists, policymakers, community organizers and leaders willing to share their efforts to promote equity-building around the Puget Sound region.

## *Spokane announces plans to invest \$4-\$5 million for housing and infrastructure*

"New development along East Sprague such as the Sprague-Union Terrace [...] demonstrates the forward momentum of this live-work neighborhood. Organizations such as Impact Capital, East Central Community Organization, East Spokane Business Association, the East Central Neighborhood Council, SNAP, and the Spokane Regional Health District have worked with the City of Spokane to build the capacity of this area, and will be key partners in continuing to implement reinvestment strategies."

-- Amber Waldref, Spokane Councilwoman







## Our community building program brings everyone to the table

We work side by side to convene community and neighborhood groups, and provide technical assistance and funding to help people create equitable, sustainable communities.





## TO OUR PARTNERS

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 2013. Each and every one of you helps us build vibrant communities.

## THANK YOU

### INVESTORS

1st Security Bank of Washington  
 Annie E. Casey Foundation  
 Bank of America Community Development Corporation  
 Banner Bank  
 Boeing Employees' Credit Union (BECU)  
 City of Seattle, Office of Housing  
 City of Spokane, Community Development  
 City of Tacoma  
 Columbia State Bank  
 Craft3  
 Key Community Development Corporation  
 King County Housing and Community Development  
 Snohomish County  
 The Erich & Hannah Sachs Foundation  
 The Northern Trust Company  
 U.S. Bancorp Community Development Corporation  
 State of Washington Department of Commerce  
 Washington State Housing Finance Commission  
 Wells Fargo Community Development Corporation

### CORPORATE AND FOUNDATION DONORS

Bank of America Charitable Foundation  
 Banner Bank  
 Columbia State Bank  
 JPMorgan Chase Foundation  
 KeyBank Foundation  
 Local Initiatives Support Corporation  
 Olympia Federal Savings  
 The Seattle Foundation  
 U.S. Bank  
 U.S. Bank Foundation  
 Washington Community Reinvestment Association  
 Watson & McDonell, PLLC  
 Wells Fargo



## INDIVIDUAL SUPPORTERS

Susan Duren  
Kim Etherton  
Saeed Hajarizadeh  
Bryan Ketcham  
Janet Laskey  
Ann Melone  
Chris Persons  
Doug and Cathy Prince  
Randy Robinson  
Christine Rush  
Guillermo Sandoval  
Jill Summit  
Kathi 'George' Wheeler  
Maiko Winkler-Chin

## BORROWERS

**Capitol Hill Housing**  
The Jefferson, Seattle

**Catholic Charities Housing Services  
of Western Washington**  
Cornwall Housing, Bellingham

**Community House Mental Health Agency**  
Caroline W. Apartments, Seattle

**Compass Housing Alliance**  
Compass on Linden, Shoreline

**Genesis Housing Services, an Affiliate of  
Catholic Charities Housing Services**  
Royal City Family Housing, Royal City

**Hill-Ray Plaza**  
Hill-Ray Plaza, Colfax

**Housing Authority of the City of Longview**  
Lilac Place, Woodland

**Housing Hope**  
Twin Lakes Landing, Marysville

**Imagine Housing**  
S-20 Snoqualmie Ridge, Snoqualmie

**Island County Housing Authority**  
Sunny View Village, Freeland

**Kennewick Housing Authority**  
Volland Street Apartments, Kennewick

**Mt. Baker Housing Association**  
Valley Commons, Thirty-Ninth Avenue Flats,  
and Beach Court Apartments, Seattle

**PROVAIL**  
PROVAIL Traumatic Brain Injury Residential  
Facility, Shoreline

**Spokane Baptist Association Homes**  
Lilac Plaza, Spokane

**Yakima Housing Authority**  
Yakima Family Housing, Yakima

## GRANTEES

**African Diaspora of Washington**  
**c/o East African Community Services**  
Equity Network Community Outreach Grant,  
South Seattle and South King County

**Alliance for Pioneer Square**  
LISC HUD Section 4 Capacity Building Grant, Seattle

**Beacon Hill Merchants Association**  
Only in Seattle Capacity Building Grant, Seattle

**Capitol Hill Champion**  
**c/o Capitol Hill Chamber of Commerce**  
Equity Network Capacity Building Grant, Seattle

**Capitol Hill Housing**  
LISC HUD Section 4 Capacity Building Grant, Seattle

**Community Network Council**  
**c/o Glory House Fellowship Church**  
Equity Network Community Outreach Grant, Kent

**Eastside Community Network**  
Equity Network Community Outreach Grant,  
East and South King County

**Eastside Equity Summit**  
**c/o Forterra**  
Equity Network Community Outreach Grant,  
East King County

**El Centro de la Raza**  
Equity Network Capacity Building Grant, South King  
County

**Got Green**  
**c/o White Center Community  
Development Association**  
Equity Network Capacity Building Grant, Seattle

**Kent East Hill Revitalization**  
**c/o YMCA of Greater Seattle**  
Equity Network Community Outreach Grant, Kent

**Latino Community Fund**  
Equity Network Community Outreach Grant,  
King, Pierce, and Snohomish Counties

**Leadership Eastside**  
Equity Network Capacity Building Grant, East King  
County

**Mother Africa**  
Equity Network Community Outreach Grant,  
Kent, Tukwila and SeaTac

**Open Doors for Multicultural Families**  
Equity Network Community Outreach Grant, South  
King County

**Para Los Niños**  
Equity Network Community Outreach Grant, King,  
Pierce and Snohomish Counties

**Rainier Beach Community**  
**Empowerment Coalition**  
**c/o Rainier Beach Moving Forward**  
Equity Network Community Outreach Grant, Seattle

**Seattle Chinatown International District  
Preservation and Development Authority  
(SCIDpda)**  
Equity Network Capacity Building Grant, Seattle

**Solutions for Humanity, Community and the Environment**

Equity Network Capacity Building Grant and Equity Network Community Outreach Grant - Tacoma/Pierce County

**Somali Youth & Family Club**

Equity Network Community Outreach Grant, South King County

**South Community Organizing for Racial/Regional Equity****c/o Puget Sound Sage**

Equity Network Community Outreach Grant, South Seattle and South King County

**South Park Neighborhood Association**

Only in Seattle Capacity Building Grant, Seattle

**Southeast Seattle Education Coalition****c/o Vietnamese Friendship Association**

Equity Network Community Outreach Grant, Seattle

**Tacoma Pierce County Affordable Housing Consortium**

Equity Network Community Outreach Grant, Tacoma/Pierce County

**Tacoma Urban League**

Equity Network Community Outreach Grant, Tacoma/Pierce County

**Tenants Union**

Equity Network Community Outreach Grant, King, Pierce, and Snohomish Counties

**Together Center**

Equity Network Community Outreach Grant, East King County

**White Center Community****Development Association**

LISC HUD Section 4 Capacity Building Grant, White Center

**TECHNICAL ASSISTANCE RECIPIENTS****East Spokane Business Association**

Spokane

**Greater Hillyard Business Association**

Spokane

**Housing Development Consortium, Asset and Property Management Affinity Group**

King County

# IMPACT CAPITAL FINANCIAL OVERVIEW

**STATEMENT OF FINANCIAL POSITION**

(12/31/2013)

<b>ASSETS</b>	
Cash & Investments	\$11,323,273
Loans Receivable	\$10,515,323
Accounts Receivable & Other Assets	\$472,803
<b>Total Assets</b>	<b>\$22,311,399</b>
<b>LIABILITIES &amp; NET ASSETS</b>	
Accounts & Other Payables	\$151,966
Loans Payable	\$18,750,000
Total Liabilities	\$18,901,966
Net Assets	\$3,409,433
<b>Total Liabilities &amp; Net Assets</b>	<b>\$22,311,399</b>

**STATEMENT OF ACTIVITIES**

	Unrestricted	Temporarily Restricted	Total
Revenues	\$1,827,772	\$91,478	\$1,919,250
Net Assets Released from Restriction	(\$112,990)	\$112,990	\$0
<b>Total Revenue</b>	<b>\$1,714,782</b>	<b>\$204,468</b>	<b>\$1,919,250</b>
Total Expense	\$1,199,923	\$0	\$1,199,923
Change in Net Assets	\$514,859	\$204,468	\$719,327
Net Assets Beginning of the Year	\$977,389	\$1,712,717	\$2,690,106
<b>Net Assets 12/31/13</b>	<b>\$1,492,248</b>	<b>\$1,917,185</b>	<b>\$3,409,433</b>

**STAFF**

Judith Olsen, *Executive Director*

Julie Alexander, *Associate Program Officer, Lending*

Seth Benziger, *Program Officer, Lending*

Dey Brown, *Senior Accountant*

McCaella Daffern, *Senior Program Officer,  
Community Programs and Development*

Heidi Hall, *Equity Network Manager*

Ingrid Martin, *Senior Finance Officer*

Chris Moxon, *Senior Program Officer, Lending*

Melissa Owen, *Program Officer,  
Community Programs*

Elizabeth Padilla, *Assistant Program Officer,  
Compliance*

Jill Summit, *Contract CPA*

**BOARD OF DIRECTORS**

Kim Herman, *Chair, Washington State Housing  
Finance Commission*

Randy Robinson, *Board Vice Chair & Immediate  
Past Chair, KeyBank*

Susan Duren, *Board Treasurer, Washington  
Community Reinvestment Association*

Guillermo Sandoval, *Secretary, Banner Bank*

Judith Olsen, *Executive Director*

Michael Brown, *The Seattle Foundation*

Mariano Diaz, *Local Initiatives Support  
Corporation*

Kim E. Etherton, *U.S. Bank*

Saeed Hajarizadeh, *Vancouver Housing Authority*

Rick Hooper, *Office of Housing, City of Seattle*

Bryan Ketcham, *Catholic Charities Housing Services*

Lowel Krueger, *Yakima Housing Authority*

Jan Laskey, *Bank of America*

Chris Persons, *Capitol Hill Housing*

Doug Prince, *Foster Pepper PLLC*

Christine Roveda Rush, *Wells Fargo Bank*

Maiko Winkler-Chin, *Seattle Chinatown  
International District Preservation and  
Development Authority (SCIDpda)*

**LOAN AND INVESTMENT COMMITTEE**

Ann Melone, *Chair, U.S. Bank*

Gary Carlson, *Seattle Bank*

Susan Duren, *Washington Community  
Reinvestment Association*

Martin Hughes, *Bank of America*

Cheryl Markham, *King County, Office of Housing  
and Community Development*

Cathy Morton, *City of Tacoma*

Laurie Olson, *City of Seattle, Office of Housing*

Richard Penton, *State of Washington, Community,  
Trade and Economic Development*

Bob Peterson, *Washington State Housing  
Finance Commission*

Dinah Thoreson, *KeyBank*

Paul Trautman, *City of Spokane*

Chuck Weinstock, *JPMorgan Chase*

**FINANCIAL OVERVIEW**

(12/31/2013)

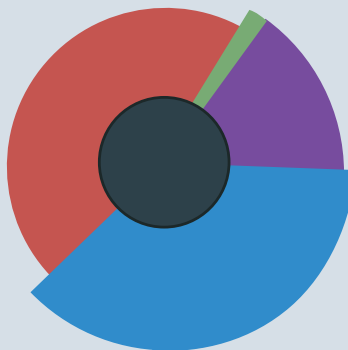
**REVENUE**

Program Contracts	\$645,470
Program Interest & Fees	\$913,939
Investment Earnings	\$27,912
Contributed Income	\$331,929
<b>Total</b>	<b>\$1,919,250</b>

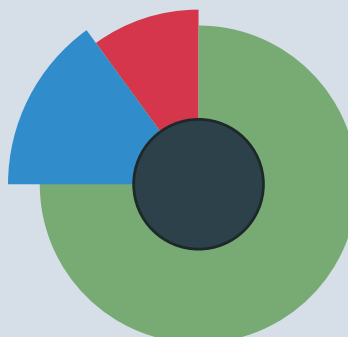
**EXPENSE**

Management & General	\$217,403
Fundraising	\$119,316
Lending & Community Building	\$863,204
<b>Total Expenses</b>	<b>\$1,199,923</b>

Operating Overhead 28.06%



■ Program Contracts  
■ Program Interest & Fees  
■ Investment Earnings  
■ Contributed Income

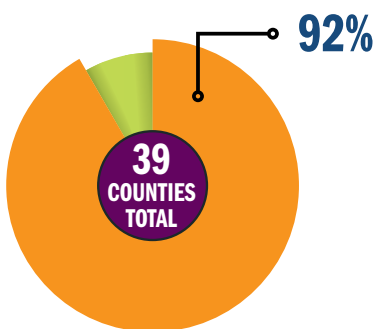


■ Management & General  
■ Fundraising  
■ Lending & Community Building

# Measuring Our Impact

We've invested \$135 million in projects throughout Washington and leveraged more than \$3.4 billion in development, bringing \$24 to Washington communities for every \$1 invested by Impact Capital.

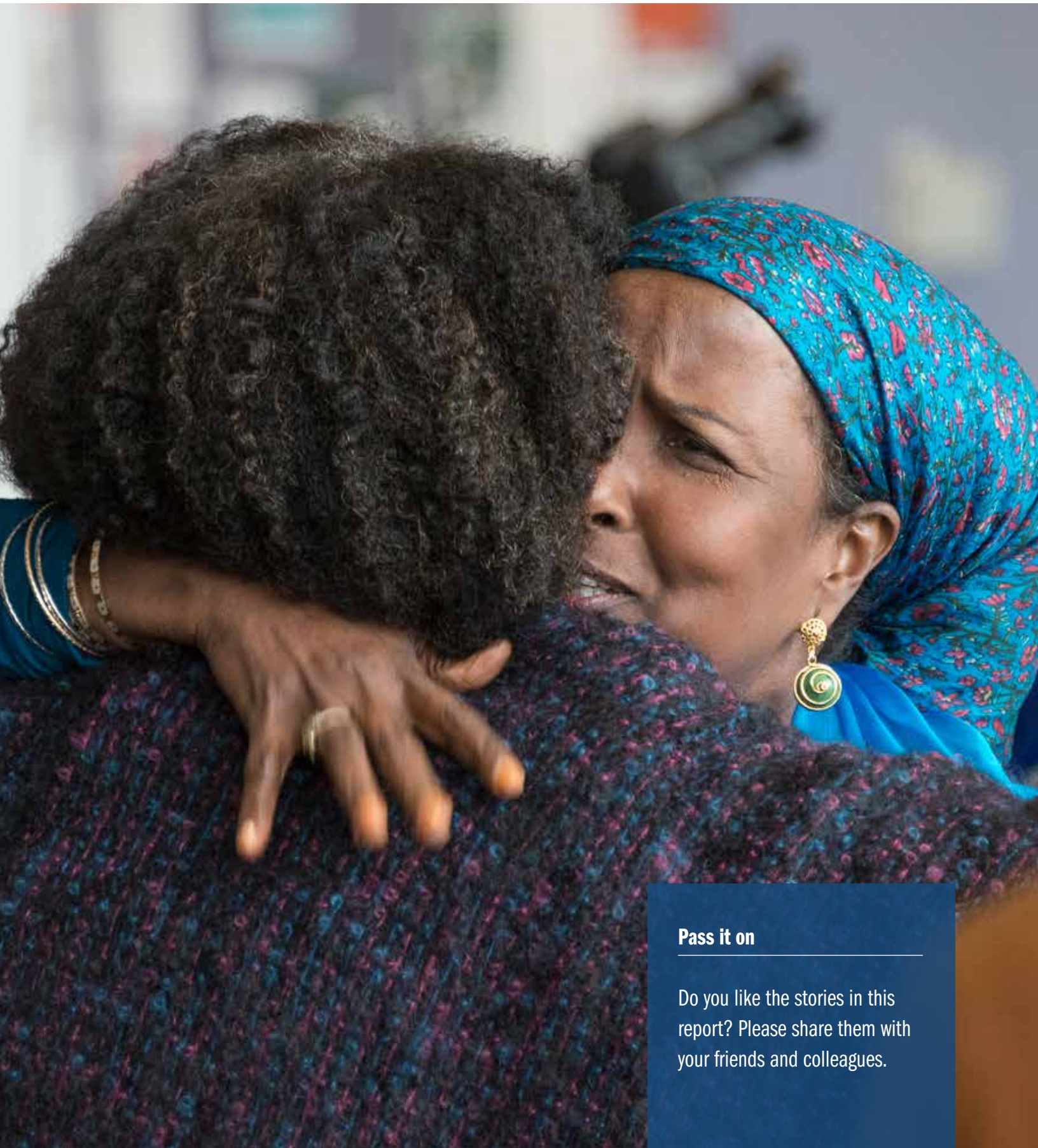
## Washington State % of counties worked in



*Since 2000, Impact Capital has worked in partnership with Washington's nonprofit organizations to create:*

- 23,000 affordable homes
- 14 childcare facilities
- 14 community centers
- 2 job training facilities
- 7 arts and cultural facilities
- 1.1 million square feet of retail and industrial space





### **Pass it on**

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



## SEATTLE

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Seattle, WA 98104  
206-587-3200 or 800-336-0679  
206-587-3230 (Fax)

## SPOKANE

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Spokane WA 99201  
509-456-8088

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**LISC**  
*Helping neighbors  
build communities*