Together We’re Building Equitable, Vibrant & Sustainable Communities in Washington State
Impact Capital helps build vibrant communities for generations of healthy families.
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
We invest in organizations that build and nurture Northwest communities.

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

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

1. Raise local investment capital
2. Make loans
3. Recycle returns to make new loans
4. Catalyze development of affordable housing and community facilities
Why we do what we do

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

Our lending program is a catalyst for investment

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
OUR MISSION

Impact Capital was created with one purpose: to catalyze efforts that build and sustain vibrant neighborhoods in underserved communities throughout Washington State.
To help communities increase their capacity to revitalize neighborhoods and commercial corridors, we connect community builders with essential resources and education.

**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.
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
HOW DO WE BUILD VIBRANT COMMUNITIES?

Building vibrant communities is about helping people access resources that support their efforts to improve quality of life for their families and neighbors.

– Michael Brown, Vice President, The Seattle Foundation
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.
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
# Impact Capital 2013 Annual Report

## STATEMENT OF FINANCIAL POSITION

(12/31/2013)

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<thead>
<tr>
<th>ASSETS</th>
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<tbody>
<tr>
<td>Cash &amp; Investments</td>
<td>$11,323,273</td>
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<tr>
<td>Loans Receivable</td>
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<td>Accounts Receivable &amp; Other Assets</td>
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<tr>
<td>Total Assets</td>
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<tr>
<th>LIABILITIES &amp; NET ASSETS</th>
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<tr>
<td>Accounts &amp; Other Payables</td>
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<td>Loans Payable</td>
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<td>Total Liabilities</td>
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<tr>
<td>Net Assets</td>
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<td>Total Liabilities &amp; Net Assets</td>
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## STATEMENT OF ACTIVITIES

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<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
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<tr>
<td>Revenues</td>
<td>$1,827,772</td>
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<td>Net Assets Released from Restriction</td>
<td>($112,990)</td>
<td>$112,990</td>
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<tr>
<td>Total Revenue</td>
<td>$1,714,782</td>
<td>$204,468</td>
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| Total Expense        | $1,199,923 |          | $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 |
| Net Assets 12/31/13   | $1,492,248 | $1,917,185 | $3,409,433 |

## IMPACT CAPITAL FINANCIAL OVERVIEW

**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
FINANCIAL OVERVIEW
(12/31/2013)

REVENUE

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<th>Source</th>
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<tr>
<td>Program Contracts</td>
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<td>Program Interest &amp; Fees</td>
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<td>Investment Earnings</td>
<td>$27,912</td>
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<td>Contributed Income</td>
<td>$331,929</td>
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<td><strong>Total</strong></td>
<td><strong>$1,919,250</strong></td>
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EXPENSE

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<th>Category</th>
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<td>Management &amp; General</td>
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<td>Fundraising</td>
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<td>Lending &amp; Community Building</td>
<td>$863,204</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$1,199,923</strong></td>
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Operating Overhead 28.06%
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

92%

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

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