

10th ANNUAL REPORT

REFLECTING ON 10 YEARS OF COMMUNITY INVESTMENT



Invest. Transform. Sustain.



We help build and sustain vibrant neighborhoods in underserved communities throughout Washington



LISC
*Helping neighbors
build communities*

Impact Capital is a nonprofit community development financial institution (CDFI). Our investments focus on mission rather than bottom lines. We provide grants, technical assistance, and access to credit that the traditional market does not provide in order to transform distressed communities into thriving neighborhoods.

Over the past ten years, Impact Capital has been a catalyst for investment. By leveraging public and private resources, Impact Capital has helped create affordable housing and community facilities like food banks, arts and cultural centers, and domestic violence shelters. We bring an average of \$23 dollars of total development to communities for each \$1 invested by Impact Capital. Our zero interest predevelopment loans and interest-bearing bridge loans help projects move forward to serve families, students, workers, and communities in 94% of the counties in Washington.

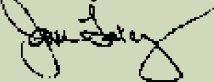
Through our Vibrant Communities program, Impact Capital uses a holistic approach to address the needs and goals of each neighborhood we serve. Our success stems from our grassroots approach, which allows stakeholders in each neighborhood to lead the way through the project. Our partnerships with local nonprofits and community leaders, help each neighborhood create workplans to address local concerns, assign key outcomes and measurables to local partners, and provide national guidance and resources through our LISC partnership.

In 2010 we:

- Provided a total of \$9,859,452 in loans which leveraged \$140,380,382, to build 749 homes and 96,917 square feet of community facility space. Over 40% of the housing built was dedicated to special needs populations, such as survivors of domestic violence, homeless persons and families, and seniors.
- Presented our inaugural Gingerbread Jubilee fundraiser at FareStart to support local nonprofits that are active in our Vibrant Communities program in Seattle; including SCIDpda, HomeSight, White Center CDA, and Capitol Hill Housing. We raised over \$25,000 for Community Building activities.
- Shared the successes of our commercial district revitalization program including hosting a bus tour with the City of Seattle Office of Economic Development for elected officials and their staff to see first-hand the impact of this important program.
- Helped attract 6 new businesses to the Spokane International District through creation of a Facebook page, Twitter account, YouTube videos and updated website.
- Successfully partnered with the Community Development Collaborative on the Growing Transit Communities: A Corridor Action Strategy for the Central Puget Sound Region which received a 3-year \$5 million dollar federal grant to secure social equity in transportation planning and development. Impact Capital will host the new Equity Network Manager who will facilitate a regional network focused on promoting equitable planning and engagement along with the Puget Sound Regional Council.

On our ten year anniversary of serving the community, we are reflecting on all of our achievements that couldn't have been accomplished without the investors and partners who believed in our organization and our mission. On behalf of the entire Board of Directors and staff of Impact Capital, thank you for helping Impact Capital make affordable housing and community development projects a reality in Washington.

Sincerely,



Jan Laskey, Chair, Board of Directors



Children's Museum of Tacoma

15th and Pacific Ave
Tacoma

Loan Amount:
\$2,000,000

Type of Project: **Relocation and expansion of facility**

Impact Capital's loan will bridge The Children's Museum of Tacoma's \$7 million "Play to Learn" capital campaign. The campaign will allow the museum to become the first non profit Children's Museum in the country to offer free admission to all after it relocates into its new expanded facilities in the first floor of the United Way of Pierce County building in Tacoma's Museum District. The loan will be used for relocation, tenant improvements, and exhibit design and fabrication. The relocation will reduce rent payments by over \$500,000 over the next 10 years while nearly doubling their program space.

Bonel Mobile Manor

24415 64th Ave S
Kent

Loan Amount:
\$3,875,000

Type of Project: **Acquisition, preservation, and rehabilitation of affordable housing**

The loan will be used to acquire, preserve, and rehabilitate a 107 unit manufactured home community and a 3 bedroom apartment. The project includes the rehabilitation of the community building's facilities and structural improvements to the waterlines and roads. Bonel provides housing for workforce members, the "working poor," who face a continuing challenge to find and remain in affordable housing in Western Washington. 68% of the households earn less than 50% the Area Median Income (AMI), and 34% earn below 30% AMI. Nearly half of the community are families with children.



2010 Sample of Funded Projects

Footnote: 2010 Statistics

Impact Capital approved 21 loans in 2010 for a total of \$9,859,452 to build 749 units of housing and 96,917 square feet of community facility space. These loans leveraged over \$140,380,382 in total development costs.

Forks Homeless Housing

Catholic Housing Services of Western Washington

505 Bogachiel Way
Forks

Loan Amount: **\$350,000**

Type of Project: New Construction

New construction of 30 units of homeless housing, 15 for homeless families and 15 for homeless individuals in Forks, Washington. This project will create 19,593 square feet of residential housing for the homeless in downtown Forks. Unit sizes vary from studios to multiple bedroom townhouses, and tenants are also provided a play area for their children.

Green Development: The project will be developed by the Evergreen Standards and will incorporate features that will decrease energy use, reduce construction waste and encourage use of recycled materials.

Shelter and Housing

Domestic Violence Services of Snohomish County

1110 Rainier Avenue
Everett

Loan Amount: **\$75,000**;
0% interest CDLF loan

Type of Project: Program Expansion

The Domestic Violence Services of Snohomish County (DVS) is in the process of acquiring the Oswald Army Reserve property in Everett to convert the existing buildings into a 60-bed domestic violence shelter and a day care center. The facility will also house the Snohomish County Domestic Violence Services administrative offices and Legal and Support Services Center.

All Seasons Apartments

Community Frameworks

3414 S. Regal
Spokane

Loan Amount: **\$75,000**;
0% interest CDLF loan

Type of Project: Acquisition and rehabilitation of affordable housing

The acquisition and rehabilitation of an existing apartment complex in Spokane will allow Community Frameworks to convert the complex into 43 units of workforce housing. 20% of the units will serve residents at or below 50% AMI, and 31% of the units will be serving residents earning at or below 80% AMI. The remaining 21 units will be unrestricted.

Grandview Single Family Housing

South of W 5th Ave,
East of Larson Drive,
West of Cherry Lane
Grandview

Loan Amount: **\$414,900**

Type of Project: Acquisition

The loan was used to purchase 18 "ready to build" lots for single family home ownership. 14 of the homes will be sold to families earning 50-80% of AMI, and the other 4 designated for families earning less than 50% of AMI. The proposed project is a continuation of self-help homeownership program where families will contribute 250 hours of "sweat equity" to the construction of their home.

Filipino Village Housing

5740 MLK Way S
Seattle

Loan Amount: **\$10,000**

Type of Project: Predevelopment

The loan will be used to assess the early-stage predevelopment feasibility for the purchase and development of five parcels of land in the Rainier Valley area of Seattle. This loan is critical in determining whether the Filipino Community of Seattle will be able to expand the amount of land they will have to construct their community-building project on.

Our Mission

We help build and sustain vibrant neighborhoods in underserved communities throughout Washington.



Our Role in the Community

Impact Capital makes strategic investments in nonprofit community development and affordable housing organizations in ways that enhance and sustain their ability to positively impact the quality of life in communities throughout Washington.

As a nonprofit community development financial institution (CDFI), Impact Capital provides high-touch lending services, short term bridge loans, grants, and technical assistance for community development organizations, tribal entities, and housing authorities to revitalize communities. Our work helps build the capacity of local organizations, to make positive changes in their communities: building affordable housing, increasing public safety, enhancing commercial districts, creating green spaces, and constructing arts and cultural facilities.

Impact Capital is uniquely positioned to carry out its mission because of its strong relationships with community development organizations, funders, local and state government agencies, and stakeholders in the field. We take the riskiest part of the financing package to start the process and then attract other investors to the table. Our underwriting and review processes are purposely rigorous to ensure that organizations are ready and able to handle the projects they wish to undertake.

Impact Capital also helps build communities from the ground up. Our role is to bring the stakeholders together, help them plan improvements, and put them in touch with the resources and partners needed to succeed. We add value by providing access to resources, leveraging funds, and increasing capacity for community organizations who can sustain the changes for the long term. Our programs and expertise have been put to the test in communities around the state and have proven to be successful in turning

distressed neighborhoods into vibrant ones – where people are proud to live, work, and raise their families.

Impact Capital has worked in 94% of the counties in Washington. Over the last twenty years, we have partnered with nonprofit organizations to create 18,623 affordable ownership and rental housing units. Additionally, we have financed 13 childcare facilities, 12 community centers, 2 job training facilities, 4 arts and cultural facilities, and 649,162 square feet of retail and industrial space.

To date, **Impact Capital has invested more than \$115 million in Washington State and leveraged more than \$2.6 billion in development, bringing \$23 to Washington communities for every \$1 invested by Impact Capital.** While we have made excellent progress over the years, our work is more important now than ever. In these challenging times, with credit becoming more difficult to obtain, nonprofit organizations and communities need our unique lending tools to continue to meet the basic needs of Washington families.

Lending Program

Impact Capital provides predevelopment, acquisition, construction, and bridge loans to nonprofit organizations, housing authorities, and tribal entities throughout Washington. In an economy where credit is becoming scarce, Impact Capital's role in the funding community is more important than ever. Our lending program helps organizations fulfill their missions to build affordable housing and provide community facilities such as food banks, senior centers, and day care centers.

Community Development Loan Fund: \$3 Million Loan Pool

- Provides zero-percent interest loans (for up to \$75k) to assist nonprofits with feasibility costs required to enable them to develop initial applications for grants and project financing.
- Since 1994, 453 loans totaling over \$20 million leveraged nearly \$1.6 billion in total development costs.
- In 2010, Impact Capital made 8 CDLF loans totaling \$495,000. These loans will result in 325 units of low-income housing.

Community Investment Fund: \$21 Million Loan Pool

- Provides secured, interest-bearing loans, which can be used to acquire land and buildings, pay for predevelopment expenses, bridge capital campaigns, pay for construction costs, and bridge tax credit equity payments.
- Since 2000, 144 loans totaling over \$94 million leveraged nearly \$977 million in total development costs.
- \$0 in losses.
- In 2010, Impact Capital made 10 CIF loans totaling \$9,364,452. These loans resulted in 424 units of low-income housing.

Community Building Program

It takes more than just housing to create flourishing neighborhoods and communities. While some of our programs change from year to year to address new challenges, Impact Capital has a unique set of tools and programs available to assist nonprofit organizations in creating sustainable change in their neighborhoods.

Vibrant Communities:

Through our Vibrant Communities program, Impact Capital works with key neighborhood partners and nonprofit organizations to help transform distressed communities into vibrant ones. Our approach recognizes that physical development, while critical, is not enough to create truly vibrant communities. As a result, we work with our partners on the ground to strengthen neighborhood commercial districts, create and sustain affordable homes, increase public safety, develop parks and open space, improve educational opportunities, and help families build homes.

In each Vibrant Community project, Impact Capital serves as a project intermediary, working in partnership with a community organization (designated as the local lead) and the local government. We not only guide the process to ensure that activities are

implemented effectively, but also provide financial and community resources, expertise, project management, connections to partners, and technical assistance that helps strengthen participating communities' skills and empowers them to sustain their work over the long term, well beyond the completion of the project itself. The local and national experience and relationships we bring allow us to serve as a valuable and trusted bridge between the efforts of the communities and the interests of funders and other core community stakeholders.

Affordable Housing Preservation Services:

Despite the community development industry's success in addressing the need for affordable housing, the age, diversity, and complexity of our portfolio requires that we bring greater attention to preservation and maintenance efforts necessary to keep our existing portfolio affordable and sustainable. Impact Capital provides asset management technical assistance and resources.



The Knowledge Bank:

As the Northwest's experts in community development, Impact Capital provides a range of services and resources to help community development professionals increase their skills and capacity.

Our services include:

- Technical Assistance: Individualized technical assistance and consultants to build organizational and programmatic capacity.
- Training: Sessions are offered each year on a range of industry topics.
- Resources and programs thru LISC include but are not limited to: the NFL Grassroots program to develop sports and recreational fields; Community Safety Initiative to develop and implement community safety programs; and Green Development Center for resources in integrating sustainable development practices into programs.

10 Years of Investing in Organizations that Build Community

2000

2002

2003

2004

2005



Impact Capital (IC) merges with Washington Community Development Fund, the Local Initiatives Support Corporation and the Seattle Community Development Collaborative.

- IC begins operating as a nonprofit community development financial institution (CDFI) which uses lending and community building programs to revitalize communities throughout Washington State.
- This merger enabled IC to build the capacity of local organizations to make positive changes in their communities by building affordable housing, increasing public safety, enhancing commercial districts, creating green spaces, building family assets, and constructing arts and cultural facilities.



IC launches Statewide Capacity Building Initiative (SCBI)

- IC implements their SCBI in early 2002 to provide \$75,000 for each of up to four Washington Community Development Organizations (CDOs) over a three year period.
- Participating CDOs receive access to additional IC capacity building programs such as training and technical assistance.
- First participants include Spokane Housing Ventures, Housing Authority of Grant County, Willapa Community Development Association, and Inland Empire Residential Resources.



Cooper Artist Housing at Youngstown Cultural Arts Center

- IC provides \$64,750 to Delridge Neighborhood Development Association to renovate 28 units of affordable live-work housing and approximately 21,000 sq. ft. of community space for a variety of uses such as live performances, classes and workshops, and to business, civic and social occasions.
- The Youngstown Cultural Arts Center hosts over 2,000 participants annually and provides art education, performing arts incubation, affordable space for artists and community arts, technical expertise in the performing arts, consultation and partnerships, and art space development.



FareStart

- In 2004 IC provides a \$993,335 Acquisition and Renovation Loan to FareStart.
- FareStart used the loan to acquire and renovate a four-story, 33,158 sq. ft. facility which now houses the kitchen, restaurant, and administration operations.
- FareStart empowers homeless and disadvantaged men, women, and families to achieve self-sufficiency through life skills, job training, and employment in the food service industry.



Pantages Apartments

- IC worked in collaboration with National Equity Fund (NEF) and Capitol Hill Housing to develop the Pantages Apartments.
- Pantages Apartments has 28 units of low income housing for households at 30%-50% of median income.
- The house, originally built in 1907 for vaudeville magnate Alexander Pantages, is a city landmark. Together with the surrounding building, the house provides 49 units of affordable housing with great access to public transportation, including the future light rail stop in Capitol Hill. Fiberglass art sculptures in the central courtyard reflect the vaudeville past of the original owner.

2007

2007

2008

2008

2009



IC and MetLife present the MetLife Foundation Community-Police Partnership Award to HomeSight

- HomeSight and the Seattle Police Department receive the MetLife Foundation Community-Police Partnership Award for their successful efforts to simultaneously promote crime prevention and neighborhood beautification.



First site-based Consortium for Housing and Asset Management (CHAM) training series

- In collaboration with CHAM, IC provides classes to individuals and organizations who want to learn more about nonprofit asset management and financing.
- IC extends resources including financial and technical support to local CDCs.



IC launches Neighborhood Business District Program

- IC solicits applications from nonprofit, neighborhood-based organizations that have demonstrated the interest and capacity to take a leadership role in the redevelopment of a specific neighborhood business district.
- The program is designed to foster vibrant neighborhood business districts that allow small businesses to grow and flourish while reflecting the unique character of the neighborhood.
- Three-year commitment of grant funds contingent upon the grantee's satisfactory progress with the implementation of a comprehensive three-year work plan focused on: a) making an impact in the business district, and b) building a foundation for long-term sustainability.



NFL Grassroots Grant – Rainier Vista Boys & Girls Club

- IC presents \$200,000 grant to the Rainier Vista Boys & Girls Club on behalf of the National Football League Grass Roots Program and the Local Initiatives Support Corporation (LISC).
- The Grant is used to build a new artificial turf playfield located at the Rainier Vista Boys & Girls Club in Seattle suitable for football, soccer, track, and baseball.



Spokane International District

- IC launches a new Vibrant Communities site in Spokane to revitalize the Spokane International District.
- Spokane Neighborhood Action Partners (SNAP) is selected as the lead agency to work with both IC and the East Spokane Business Association (ESBA) to revitalize the neighborhood.
- IC and SNAP improve the neighborhood by hanging new district banners, improving business store fronts, building new bike racks, and introducing a new blend of Craven's Coffee called the "Spokane International Blend."

White Center and SOPI Village

The White Center Community Development Association (CDA) is a large network of small businesses, residents and community organizations united to "grow a global village" in White Center –where a variety of businesses thrive through the tough economy by diversifying and increasing clientele, where residents feel safe to walk to local services, and where nearby developments like housing and commercial facilities create a vibrant neighborhood.



White Center Business District

Location: Seattle / unincorporated King County

Impact Capital Investment:

\$70,000 in financial support and over 135 hours of technical assistance, guidance, and leadership.

Funds were used to develop a Social Media Training and Peer Learning Workshop on marketing and promotion efforts.

In 2009, Impact Capital worked with the White Center CDA to develop a White Center Action Plan, a comprehensive plan for building a strong, vibrant neighborhood. In 2010, we supported the White Center CDA in implementing the Action Plan by:

- Providing \$70,000 in grant funding;
- Providing over 100 hours of technical assistance to conduct a social media training;
- Helped the White Center CDA create a business attraction strategy; and
- Provided guidance and support to help the White Center CDA develop and strengthen their real estate strategy.

The Neighborhood Action Plan brought over 50 lead agencies together to prioritize 100 different action items. Updated every year, the Plan is evidence of the CDA's ability as a trusted neighborhood intermediary and convener of people around a common vision. In 2010 alone, over 2500 volunteers were part of the CDA network.

Commercial District

One of the key goals in the Action Plan is to create a vibrant business district that provides affordable goods and services for the culturally diverse community, employs local entrepreneurs and is supported by active community members. With our financial support and technical assistance, the White Center CDA has had some significant accomplishments in the business district.



White Center

GROWING A GLOBAL VILLAGE



Vibrant Communities



INVE

- The White Center CDA worked with a small business marketing task force to develop a new brand for the commercial district: "Growing a Global Village" which reflects White Center's tremendous community diversity and spirit. Neighborhood stakeholders will implement the new brand in coming months, in addition to a marketing plan that includes the revival of the "Welcome to White Center" signs by the Chamber of Commerce.
- Monthly business mixers attract at least small businesses and combine the right mix of social networking, information, and referrals to support entrepreneurs looking for new resources.
- Impact Capital also brought in a local expert on social media to give local business owners an introduction to how to use social media and to train CDA staff on creating Facebook pages for local businesses. As a result, the CDA helped 5 local businesses start Facebook pages.

The White Center CDA eagerly anticipates continued support from Impact Capital to help with the commercial district plan. The White Center CDA is especially thankful as new technical assistance needs develop and Impact Capital is available to provide access to local/regional or even national resources and models from which the CDA can learn.

Real Estate Development Capacity

Real-estate development is another important piece of the Action Plan. The neighborhood wants to develop vacant and undeveloped land into community-prioritized commercial, retail, arts and cultural uses and mixed-income housing. Impact Capital is helping the White Center CDA identify a clear plan to influence local real estate to achieve this vision, particularly in the commercial district. By looking at the realities of revenue and expense generation, in addition to the state of the funding environment, Impact Capital and the White Center CDA are creating a realistic capacity building work-plan to develop real estate that will exemplify responsible development for the community.



Impact Capital provided a \$1.2 million acquisition loan to build 30 multifamily rental units targeted to households at 60% AMI (7-units), 40% AMI (8-units), and 30% AMI (15-units). Six units will be set aside as permanent housing for families transitioning from homelessness.

Strength Of Place (SOPI) Village

When the White Center CDA was approached with a piece of land by a resident who had the desire to construct an affordable house project on that site, Impact Capital worked closely with the White Center CDA to develop a working partnership with Delridge Neighborhoods Development Association (DNDA) for Strength of Place Village. We worked with the White Center CDA to understand their role, how to partner, and to influence the project to be what the neighborhood wanted. During this challenging economic

climate for affordable housing developers, the need arose for a different partnership to bring SOPI Village to fruition; Impact Capital was instrumental in creating the partnership that ultimately led to the success of the project and the ability of the project to secure an equity investor which culminated in the breaking ground of Strength of Place Village. As such the White Center CDA, Capitol Hill Housing and DNDA combined resources through an innovative partnership to develop Strength of Place Village.

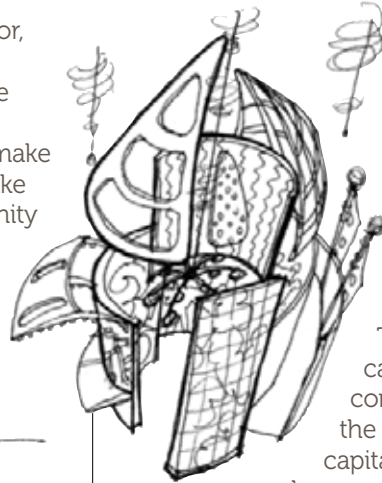
“Strength of Place Village represents a significant community achievement, working with the King County Sheriffs Office to identify a troubled corner property, meeting our residents' desire for quality, family-sized housing, reviving a walkable business district, and pulling together the resources and team to make these 30 units a reality. We believe the project is a true model for how to construct affordable housing the White Center way.”

**-- Aileen Balahadia,
Executive Director
of the White Center CDA**

Located on the corner of SW 100th Street and 13th Avenue SW, the project will have 30 apartments ranging from one to three bedrooms for low income families making \$55,000 per year. Strength of Place Village will also deliver living-wage construction jobs to White Center and will be green built to the Washington State Evergreen Sustainable Development Standard. Impact Capital continues to provide guidance and support to the White Center CDA, the partners and to the project. SOPI Village is scheduled to open in Fall 2011.

Children's Museum of Tacoma

Impact Capital provides bridge loans across the non profit sector, not just for affordable housing. In 2010, Impact worked with the Children's Museum of Tacoma to provide a \$2 million loan to make it possible for the Museum to take advantage of a unique opportunity to move into an exciting new location. As the new anchor tenant in the United Way of Pierce County building in the Museum District of Tacoma, the Children's Museum will more than double its space for community programs while dramatically cutting its overhead costs.



Children's Museum of Tacoma

Location: Tacoma

Impact Capital Loan:
\$2,000,000 Bridge Loan

Used to relocate the museum to the United Way of Pierce County facility and begin construction.

As a result the Museum will become the first non profit Children's Museum in the country to offer free admission to everyone when it opens in the new location. With 34% of families in Pierce County falling within moderate to low-income households, no-cost admission allows the Children's Museum to reach more families, engage more children in playful learning, and support early learning. The new location will also have dedicated parking and be just one block from the LINK light rail system.

The Museum's move is a big part of its \$7 million "We Play" capital campaign, which will also create new outreach and community based services and an endowment fund to secure the Museum's long term sustainability. As is often the case in capital campaigns, larger and institutional pledges can take as long as several years to fully be available as cash. Impact's loan is secured against these pledges, each confirmed and vetted independently by Impact staff, and provides cash now for the Museum to make the move more quickly and build its new exhibits, avoiding costly duplicate location expenses or even possibly missing out on this perfect new location altogether.

"We are excited that we could tailor a bridge loan to meet their needs," said Laurie Olson, Lending Program Officer at Impact Capital. "The Children's Museum of Tacoma is going to open access to educational play to children throughout Pierce County, and we're happy we could be one piece of this fun puzzle."

The new facilities will also help broaden the Museum's important community based programs. "Play to Learn" helps children under five years of age build social and cognitive skills that ensure success when they enter kindergarten. Over the past three years, "Play to Learn" has served 20,000 children in eight neighborhoods, including: Puyallup, Tacoma, Graham, Parkland/Spanaway, Lakewood, Joint Base Lewis-McChord, and Gig Harbor

The new Children's Museum of Tacoma is planned to open early in 2012.



Access is the cornerstone of the Museum's philosophy. We are excited to offer all Pierce County families free opportunities for play and learning in the new museum and through our continued outreach."

-- Tanya Andrews
Executive Director of the
Children's Museum of Tacoma





Sparrow's

Location: Bainbridge

Impact Capital Loans:
\$116,550 Construction Loan

Used to relocate two donated units of modular housing to the Housing Resource Board project on Bainbridge Island.

The Sparrows

The Housing Resources Board of Bainbridge Island (HRB) has added two new green, high-tech modular homes to its current Bainbridge Island site. Impact Capital provided a bridge loan of \$116,000 in order to help transport and prepare the two high-tech modular homes for the Sparrows Housing Project site.

HRB has been serving Bainbridge since 1989 and is currently the only independent non-profit housing provider and advocate on the island. Along with helping to provide housing to Bainbridge residents, HRB is also a Community Land Trust organization (CLT). Since Bainbridge Island is a short thirty minute ferry ride away from downtown Seattle and provides some seclusion from the hustle and bustle of the city, the housing market has inflated to three-times the price of comparable homes in Seattle. This inflation makes purchasing an affordable home much more difficult. A CLT allows low to middle-income families the opportunity to purchase a home at a reasonable price and retain many of the benefits of homeownership while assuring that when the house is sold it will still be affordable to another low income family.

The two modular homes were donated by the former CEO of the Unico Corporation in October 2009. Originally situated on top of the Rainier Tower in downtown Seattle, the two homes were moved by a crane onto a truck and then transported to Bainbridge Island by HRB. Once on the island, the houses were re-stacked at The Sparrows Housing Project. They are currently being prepared to be sold as low-income multifamily homes.

"The donation of the two modular homes is greatly appreciated" said Ken Balizer, Executive Director of HRB. "Bainbridge is in great need of affordable housing for low-income working families. Thanks to the donation, the money provided by Impact Capital, a loan from Bainbridge Community Foundation and a significant amount of donated construction labor, we are making small progress in filling that huge need."

The modular homes are built with affordability in mind. Instead of being built on site, the homes are first computer generated and then broken down into simple pieces. This computerized information is put into an optimizing saw, which then cuts the pieces for the house with the highest degree of precision while creating the least amount of scrap material. At the same site, all the pieces are put together in an assembly-line. After the houses are finished inside and out, they are shipped to the housing site and installed.

On top of being assembled with a strategy of affordability, the homes also include many green features that help drive down costs. A computer and sensory system helps to control lighting and heating. Additionally, the house has energy efficient appliances and windows, a roof garden that helps to reduce storm water runoff, and a deck made from recycled plastic.



Transform

"Impact Capital was very excited to help fund such an interesting project. This project helps to highlight many things that Impact Capital believes in: affordability, environmental sensitivity, and innovation."

-- Heyward Watson
Impact Capital's Executive Director



Hilltop Children's Center

For 40 years, Hilltop Children's Center has provided high quality, child-centered, early education for 2-10 year olds through their pre-school and after school programs. Their programs have been recognized as a model learning center for early education and continue to draw local, national, and international attention from professionals within the early education field.

In fall 2006, Hilltop received notice that it would need to relocate from its lifelong home at the Queen Anne Lutheran Church. With strong support from the community, Hilltop decided to relocate to a commercial space on the ground floor at 4 Nickerson Street



Hilltop Children's Center

Location: (Queen Anne) Seattle

Impact Capital Loan:

\$500,000 Construction Bridge Loan

Used to renovate an 8,500 square foot commercial space into Hilltop Children's Center's new home.

in Queen Anne. This move presented challenges—but tremendous opportunities as well—as it provided a chance to build a new home that reflected Hilltop's approach to collaborative learning and community.

Impact Capital provided Hilltop with a \$500,000 construction bridge loan in 2007 that allowed Hilltop to begin the extensive remodeling project transforming the office space into an 8,500 square foot licensed childcare center. The time-sensitive nature of Hilltop's relocation made Impact Capital's bridge loan a crucial component to the success of the project. It not only provided the money Hilltop needed to begin renovations, but it also allowed Hilltop to embark on a fund raising campaign at the same time.

The new center includes six classrooms, a main studio for in-depth investigation and observation, mini-studios for each classroom, library and conference room space, teacher work room, administrative offices, gym space and an outdoor play area. The new location is also larger than Hilltop's previously held space, providing them with an additional classroom and an increase in the total enrollment of up to 100 children.

Hilltop's program is inspired by children's curiosity and natural inclination to learn through play. The teachers at Hilltop work to encourage building relationships and foster an appreciation of diversity and divergent thinking. They achieve this by encouraging their students to engage in in-depth projects that provoke and develop an understanding for the activities and ideas that the children themselves find interesting.



Impact Capital was instrumental in sustaining the mission and work of Hilltop Children's Center. They saw that Hilltop's relocation was a project predicated on capacity building – for children, for staff, for Early Learning. The bridge loan offered a rare opportunity for non-profits: allowing our facility to reflect our mission and values and then continue that mission and those values each day. Educators from around the world visit our site as a model of how environments can honor childhood and further children's development. We thank Impact Capital for their commitment to our work.

-- Meg McNulty, Executive Director



1st Annual Gingerbread Jubilee

November 30, 2010
Farestart, Seattle



Kimberlee Archie and Jan Lasky



Randy Robinson and Rick Hooper

Impact Capital showcased its Vibrant Communities program at its first annual Gingerbread Jubilee held at Farestart in Seattle. The event raised \$25,050 and featured a Gingerbread House Competition and Live Auction.

Farestart, a non-profit providing culinary instruction for homeless men and women, is a shining example of Impact Capital's programming, and natural choice of venue. In 2004, Impact provided a \$900,000 loan to finance the acquisition and renovation of their current location at 7th and Virginia.

Local community development teams began a one hour and fifteen minute "live" gingerbread house decorating session in FareStart's demonstration kitchen. Attendees watched as the teams worked furiously to frost gingerbread, cut candy, and piece together landscaping materials. The mistresses of ceremonies, US Bank's Sharon Hughes and Ann Melone, who also serves as the Vice-Chair of the Impact Capital board, announced that the teams would be



Ann Melone MCs

required to use at least ten mini-marshmallows, as the secret ingredient of the competition.

"Our gingerbread structure is the first development in the Pike/Pine Neighborhood to take advantage of the historic preservation

bonus - we've preserved an old building in the neighborhood, and have built a new addition above. As a result, we got to build an extra floor as a bonus," said Capitol Hill Housing's team leader, Betsy Hunter.

The all-women team, including Christina Bollo of SMR Architects, Nancy Henderson and Sadaf Qudussi of ArchEcology, Rumi Takahashi of Weinstein A/U, Peggy Heim of Schemata Workshop, Ann Schuessler of Rafn Company, and junior architect Sophia Boyd-Fliegel, created a multi-level high-rise building complete with landscaping, interior lighting, and community gardens.



Capitol Hill Gingerbread House



SCIDpda - Ginga Ninjas and award winning dragon

The "Ginga Ninjas", made up of architects Douglas Ito, Dean Kralios, and Emily Woods of SMR Architects, worked together with staff from Seattle Chinatown International District Preservation and Development Authority (SCIDpda) to create a smoke-blowing, fully-edible dragon to represent their community.

"The dragon is a pan-Asian benevolent symbol often representing wisdom and power, and there are several hanging around on light poles that welcome people to our neighborhood," said Maiko Winkler-Chin, Executive Director of SCIDpda. "The tiles represent what people like about and

what they want in the International District. Many were designed and decorated by neighborhood kids."

The White Center Community Development Association (WCCDA) and HomeSight teamed up to create their vision for their neighborhood in the form of a streetscape replica of an actual affordable housing complex the groups collaborated on in White Center. The gingerbread streetscape featured mini-twinkling Christmas lights and clay figures which resonated with the crowd. The "Home Sweet Home" team, as they called themselves, featured Tony To and Uche Okezie



Team Home Sweet Home Gingerbread Streetscape

of HomeSight, Kate Stannard of WCCDA, Tien Peng, Peter Davis of Peter Davis Builders, Armando Barrera, an Evergreen High School Student, Uyen Tran and Nancy Barrera, students from Highline High School, Tad Crawford, and Leslie Miller. It was a diverse group of builders, fitting with the multi-cultural, multi-generational demographics of the neighborhood.

Impact Capital welcomed celebrity judges King County Executive Dow Constantine, Seattle City Councilmember Sally Bagshaw, and Chef "T" of FareStart to judge the creations. Guests enjoyed fantastic food from FareStart



Chef T and Ann Melone

and had an opportunity to watch the decorating live as they cast their ballots for their favorite team. The vote totals were close, and the scores of Celebrity Judges, along with the audience votes, selected SCIDpda's "Ginga Ninjas" to win the \$3,000 grand prize.

In addition to the live gingerbread house decorating, the gingerbread house entries were auctioned off as part of a larger live auction. Fueled by sweets from the candy bar, guests engaged in spirited bouts of bidding to purchase their favorite team's gingerbread house. The money raised through the auction of the gingerbread houses went directly to supporting the community development groups' neighborhood revitalization work.

Thanks to sponsorships from BECU, Bank of America, Prudential, JP Morgan Chase, KeyBank, Foster Pepper, and ArchEcology, Impact Capital was able to create a new holiday tradition to showcase its work in the community and celebrated the neighborhood revitalization efforts of Capitol Hill Housing, SCIDpda, White Center CDA, and HomeSight.

Meet the Board

Impact Capital's Board of Directors consists of representatives from private and public donors, investors, and partners from community development and affordable housing organizations across Washington. The Board meets quarterly and members serve on committees that monitor, advise, and oversee Impact Capital's programs and activities.

“The role Impact Capital has played in community development motivates me to serve on their Board of Directors. It's an opportunity to learn more about community development throughout the state and hopefully across the country.

-- Maiko Chin-Winkler,
Board Member and
Executive Director,
SCIDpda

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



Statement of Financial Position (12/31/2010)

Assets

Cash & Investments	\$15,771,059
Loans Receivable	\$8,334,753
Accounts Receivable & Other Assets	\$430,913
Total Assets	\$24,536,725

Liabilities & Net Assets

Accounts & other payables	\$133,426
Loans Payable	\$20,750,000
Total Liabilities	\$20,883,426
Net Assets	\$3,653,299

Total Liabilities & Net Assets **\$24,536,725**

Statement of Activities

	Unrestricted	Temporarily Restricted	Total
Revenues	\$1,303,784	\$213,959	\$1,517,743
Net Assets released			
from restriction	\$641,457	(\$641,457)	\$0
Total Revenue	\$1,945,241	(\$427,498)	\$1,517,743
Total Expense	\$1,635,082	\$0	\$1,635,082
Change in Net Assets	\$310,159	(\$427,498)	(\$117,339)
Net Assets			
beginning of the year	\$1,257,205	\$2,513,433	\$3,770,638
Net Assets 12/31/10	\$1,567,364	\$2,085,935	\$3,653,299

Revenue

Total: \$1,517,743

Program Contracts	\$452,108	30%
Program Interest & Fees	\$682,813	45%
Investment Earnings	\$94,507	6%
Contributed Income	\$288,315	19%
Total Revenue	\$1,517,743	



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

Expense

Management & General	\$216,560
Fundraising	\$124,736
Lending & Community Building	\$1,293,786
Total Expenses	\$1,635,082
Operating Overhead	20.87%



- Management & General
- Fundraising
- Lending & Community Building

Financial Statement

Private Investors

The Annie E. Casey Foundation
Bank of America
Banner Bank
BECU
Columbia State Bank
The Erich and Hannah Sachs
Foundation
KeyBank
Northern Trust Bank
U.S. Bancorp
Wells Fargo



Public Investors

City of Seattle
City of Seattle, Office of Housing
City of Spokane
City of Tacoma
King County
Snohomish County
U.S. Department of Housing
and Urban Development
Washington State Department
of Commerce
Washington State Housing Finance
Commission (WSHFC)
Washington State Housing
Trust Fund

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Bank of American
Banner Bank
BECU
City of Seattle
City of Seattle, Office of Housing
Erich and Hannah Sachs Foundation
Foster Pepper PLLC
Inland Northwest
JP Morgan Chase
Kantor Taylor, Nelson Boyd
and Evatt PC
KeyBank
KeyBank Foundation
LISC
Olympia Federal Savings
Prudential
The Seattle Foundation
Union Bank of California Foundation
United Way of King County
U.S. Bancorp Foundation
U.S. Bank
Watson and McDonell
WCRA
Wells Fargo

Gingerbread Jubilee

Sugar Plum Sponsor

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Gum Drop Sponsor

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Vern Wood
ArchEcology
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Costco
Experience Music Project
Green Mountain Coffee Roasters
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KeyBank
Foster Pepper PLLC
Macrina Bakery
Noise w/o Sound
Peter Davis Builders, Inc.
Phnom Penh
RAFN
Red Hook
Seattle Chocolate
SMR Architects

“ Impact Capital is utilizing its resources to bring about better community conditions, which includes pre-development lending, more comprehensive community development approaches, and engaging the community more directly.

-- Michael Brown,
Board Member and
Vice President
Community Leadership,
The Seattle Foundation



Heyward Watson, Executive Director
Always working hard for community change.



Ingrid Martin, Controller
Takes mental health breaks at Lake Chelan.



Dey Brown, Senior Accounting Clerk
Enjoys watching live music and won't hesitate traveling to see a favorite band play out of town.



Michelle Yu, Accounting Clerk
Discovered new authentic Dim Sum restaurants in Portland, Oregon.



Julie Alexander, Assistant Program Officer, Lending
Enjoys collecting feathers and kayaking on Lake Washington.



Magda Herrera, Director of Development & External Relations
Recently road tripped to experience the beauty of California.



Elsa Kings, Program Officer, Lending
Ran on a 6 person relay team from Blaine to Whidbey Island in 17 hours.



Laurie Olson, Program Officer, Lending
Always needs an annual dose of sunshine (Kelowna, BC).



Melanie Gillespie, Director of Lending
Has the best kid in the world!



Britney Boyer, Fund Development Assistant
Adores seeing ancient rocks around the world.



Tracy Reich, Director of Community Building
Enjoyed sailing aboard New Zealand's America Cup Yacht in Cabo



Jennifer LaBrecque, Program Officer, Community Building
Loves to spend her summer weekends out in the mountains.



Boris Borisov, Program Officer (Spokane), Community Building
Fascinated by historic sites and cities.



Reese Morikubo, Fund Development Intern
Excited to graduate UW this year!



Investing in organizations that build community.



We help build and sustain vibrant neighborhoods in underserved communities throughout Washington

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