



2019

ANNUAL REPORT

We provide access to capital for low- and moderate-income communities in the Northwest.

LOANS CLOSED

\$12,204,103

AFFORDABLE HOUSING
RENTAL UNITS CREATED
OR PRESERVED

1,217

AFFORDABLE HOUSING
OWNERSHIP UNITS
CREATED OR PRESERVED

156

COMMUNITY SERVICES
FACILITIES DEVELOPED

127,559 sq ft.



OUR 2019
IMPACTS

Valued Partners, Investors and Colleagues,

2019 presented a continuation in the trend of evolution at Impact Capital. New staff members have brought a breadth of knowledge and skills that have and will continue to contribute to the success of Impact Capital in our drive to accelerate deployment of patient capital in our target communities.

We remain focused on providing highly sought-after and impactful funding for community development projects throughout the Pacific Northwest. Relative to 2018, we saw a slight decline in our funding activities in 2019. Looking forward, the lending pipeline for 2020 is as robust as ever. We look forward to the continued success of our capable staff to provide the patient capital to our community partners necessary for them to fulfill their missions in 2020 and beyond.

The events of 2020 will undoubtedly test the resolve for the community development industry and may likely result in increased demand for the products and services that Impact Capital provides. Impact Capital eagerly looks to address and fulfill the increased need for community development funding in the Pacific Northwest and will rise to address the challenges that communities-in-need continue to face.

Respectfully,

Bryan Ketcham, Board Chair
Joel Millar, President



2019

COMMUNITY LENDING FOR NONPROFITS

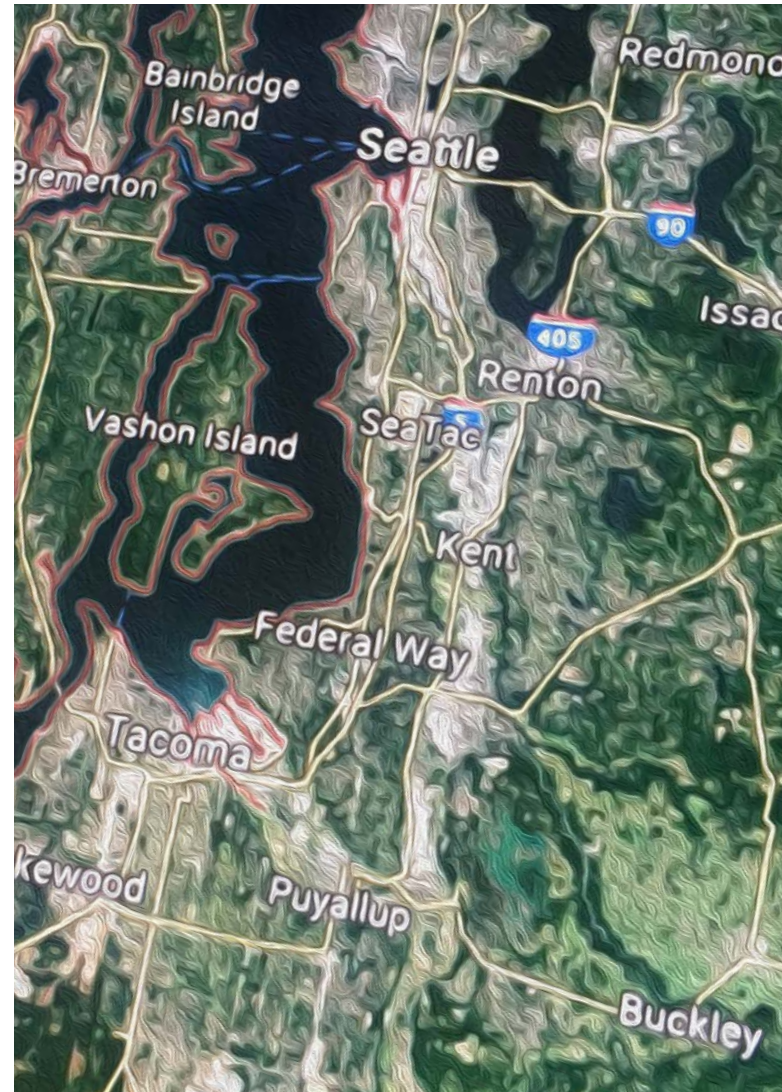
Capital for new projects can be scarce for nonprofits, housing authorities, and tribal entities. We offer essential early-stage financing which jumpstarts development and attracts more financing.

New Loans Per County in 2019

Jefferson: 3	Kittitas: 1	Snohomish: 2
King: 14	Skagit: 1	Whatcom: 1

Total Loans Per County

Adams: 5	Jefferson: 6	Skagit: 15
Asotin: 1	King: 353	Skamania: 4
Benton: 9	Kitsap: 7	Snohomish: 46
Chelan: 14	Kittitas: 6	Spokane: 52
Clallam: 9	Klickitat: 2	Stevens: 3
Clark: 21	Lewis: 4	Thurston: 6
Cowlitz: 6	Lincoln: 4	Walla Walla: 8
Douglas: 4	Mason: 2	Washington: 2
Ferry: 1	Okanogan: 14	Whatcom: 20
Franklin: 4	Pacific: 6	Whitman: 8
Grant: 17	Pend Oreille: 1	Yakima: 30
Grays Harbor: 2	Pierce: 64	
Island: 2	San Juan: 13	

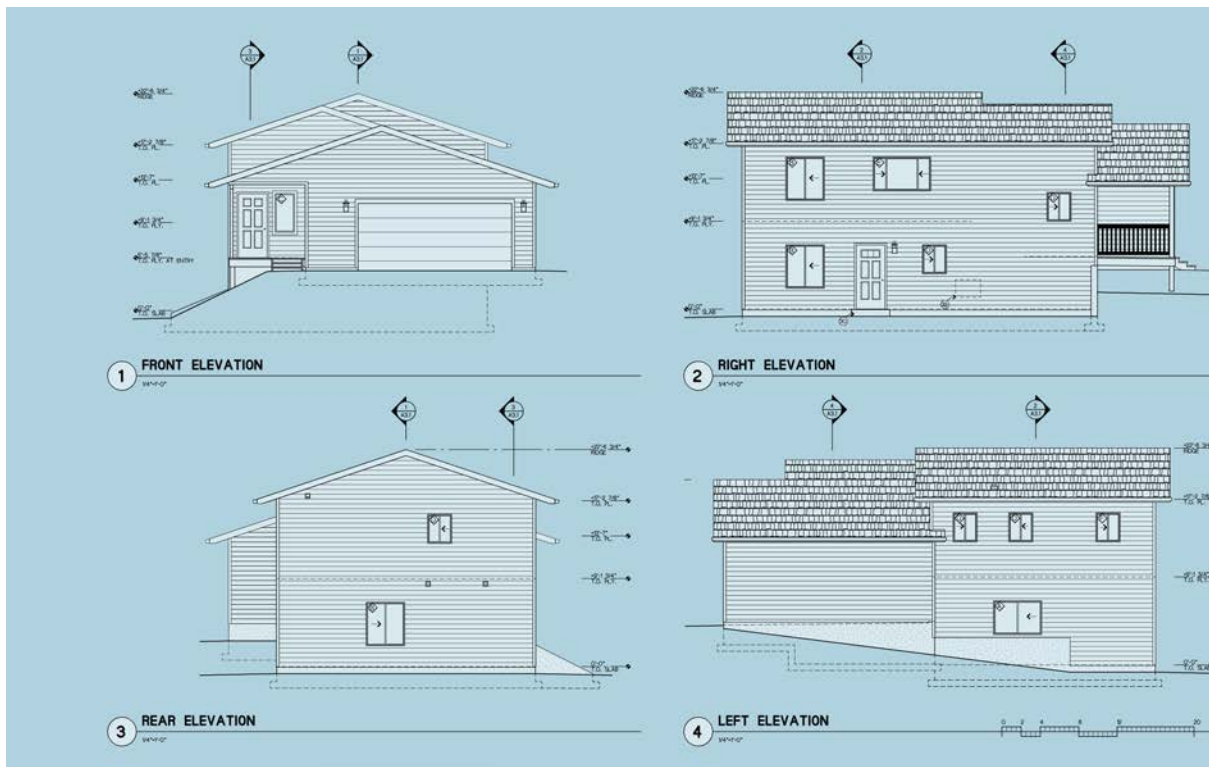


LOANS PER COUNTY

HOUSING HOPE

Lake Martha Ridge, Stanwood, WA

Impact Capital is delighted to see its \$508,000 Land Acquisition Loan set the stage in this tranquil setting for the construction of the first 17 single-family homes. Each home will provide an affordable homeownership opportunity, as each household will be at or below 80% Area Median Income (AMI), with half of the households at or below 50% AMI. The homes will be built through the USDA-RD Sweat Equity 502 home ownership program making the mortgages affordable.



“Housing Hope is grateful for Impact Capital’s partnership in providing land acquisition funding for the agency’s Lake Martha Ridge homeownership project in Stanwood. Upon completion, the subject project will consist of seventeen detached 3 and 4 bedroom homes in a newly-created neighborhood setting.”

Bobby Thmpson, *Housing Director, Housing Hope*

KULSHAN CLT / HABITAT FOR HUMANITY

Telegraph Townhomes

In a unique partnership with the Kulshan Community Land Trust (KulshanCLT), Habitat is building decent, safe, affordable homes for not just one or two local families, but many. In spring 2020, the partnership, in collaboration with the future residents, will be able to hand over the keys for the first eight homes with the remaining 15 to follow suit. This project will be a vital testing ground for how to scale up for even greater community impact. Impact Capital is financing the construction of the new 23 low-income housing units with a \$2 million construction line of credit.



**THE “NEXT BIG THING”
FOR KULSHAN CLT!**

OLYMPIC COMMUNITY ACTION PROGRAM (OlyCAP)

7th & Hendricks Development

With a project budget of \$15.3 million, Olympic Community Action Program (OlyCAP) started predevelopment work in the summer of 2019 on new homes for 43 homeless and low-income families with children, including a childcare center. Substantial support was provided by public sources, including the Washington State Trust Fund. Impact Capital is participating with predevelopment funding of some \$400,000. Construction is scheduled to start in the Fall of 2020 with the grand opening is scheduled for winter of 2021/2022.



PATRICIA K APARTMENTS

Patricia K and Jackson Heights

Patricia K. Apartments will provide affordable, permanent supportive housing for 52 residents with services focused on addressing mental health disorders. It will be developed alongside Judkins Junction, a 74 unit project for low wage workers and families, at the corner of 23rd Avenue and South Jackson Street in Seattle. Both projects are in development and should be completed in 2020. A \$1.6 million loan from Impact Capital substantially financed the predevelopment phase of the two projects with a combine cost of \$45 million.



“This year Community House is opening 127 units in its Patricia K and Jackson Heights projects, made possible by Impact Capital predevelopment loan. IC is also financing a Seattle childcare center and permanent supportive housing in Port Townsend.”

Philippa Nye, *Principal, Ally Community Development, LLC*

M.W. SONS OF HAITI GRAND LODGE NO. 1, OF THE STATE OF WASHINGTON

Waters Estate

The current 77-year old, 9,600 square foot, one-story commercial building will be replaced by this new affordable housing property in downtown Tacoma, WA. Upon completion, it will host 45 apartments for residents transitioning out of homelessness, low-income seniors and veterans, plus have an early-learning center, support offices and community space. The Low Income Housing Institute is lending its dedication and expertise to the development and operation of this future show piece with a project budget of \$21 million. Sons of Haiti was able to take the first steps towards completion of this future community anchor with a \$840,000 Bridge Loan from Impact Capital.



“Impact Capital has been a vital partner for local nonprofit organizations of color seeking to build affordable housing in their community such as New Hope Missionary Baptist Church of Seattle and M.W. Sons of Haiti Grand Lodge No. 1, of the State of Washington. By providing low-cost refinancing of existing, predatory debt and predevelopment loans, Impact Capital is saving these organizations financially and helping them build hundreds of affordable housing units for low-income individuals and families.”

Steven Strickland, Real Estate Project Manager, Low Income Housing Institute

YAKIMA HOUSING AUTHORITY

Cosecha Court II

After completing Consecha Court I in 2013, the Yakima Housing Authority (YHA) broke ground in early spring of 2020 on Consecha Court II, an 80-unit housing development for seasonal and nonimmigrant temporary (H2-A) workers, occupied from March through October. When complete, the development will consist of five buildings with 80 to 96 beds each. As a long-term partner of YHA on numerous other projects, Impact Capital was honored to provide predevelopment financing in the amount of \$276,000 on this \$4.3 million project, slated to be completed in time for the 2021 growing season.



Bellwether Housing
Greenwood Boys and Girls Club

Blue Mountain Action Council
BMAC Service Center

Capitol Hill Housing
Jefferson TI / Lake City Acquisition

**Catholic Housing Services
of Western Washington**
Kent Acquisition

Compass Health
Bailey Campus

Compass Housing Alliance
Compass Columbia City

Congregations for the Homeless
East King County Men's Shelter

DASH

Emerald Cities Seattle

FAME
Bryant Manor Apartments

Family Support Center of South Sound
Westside Olympia Housing

Filipino Community of Seattle
Filipino Community Village

**Georgetown Community
Development LLC**
Lucile Work-Life Project

Homestead CLT
Riverton Park / Yakima Ave Townhomes

HopeSource
Spurling Court

Housing Authority of Kittitas County
RAD Conversion / Alder Terrace

Housing Authority of Skagit County
Skagit County Seasonal Farmworker Housing
Mount Vernon Farmworker Housing

Housing Hope
Possession Sound Properties
Lake Martha Ridge

ICDA
Acme Apartments

Imagine Housing
Esterra Park Block 6B

Joint Pacific County Housing Authority
Willapa Center

Mount Zion Housing Development
Mt. Zion at 19th

Mt. Baker Housing Association
McClellan Strip Apartments
Hooe-Neiders

Next Step Housing
Bicycle Apartments

Nexus Youth and Families
936 Remodel

Northaven
Northaven III

Olympic Community Action Programs
7th and Hendricks

Peninsula Housing Authority
Eklund Heights

Primm ABC Child Care Center
Primm ABC Childcare Expansion

SCIDpda
Pacific Hospital Towers

Skyway Solutions
Skyway Redevelopment

Sons of Haiti
Waters Estate

Telegraph Townhomes, L.L.C.
Telegraph Townhomes

Transitional Resources
Yancy Street

Vashon Household
Island Center Apartments
Sunflower Subdivision

Whitman CAC
Riverview Housing Complex

Yakima Housing Authority
Cosecha Court II
Veteran Supportive Housing

YWCA Pierce County

2019
BORROWERS

THANK YOU

We offer heartfelt thanks to our Impact Capital family of supporters. We are proud to list friends, partners, donors, and colleagues who made everything possible in 2019. Your support helps us build vibrant communities throughout Washington State.

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Banner Bank
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CDFI Fund
City of Seattle Office of Housing
Heritage Bank
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Northern Trust Bank
Sinsinawa Dominicans
United Business Bank
Umpquah
US Bank
Washington State DOC
Washington State HFC
Washington State Housing Finance Commission
Yakima Federal Savings & Loan

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Bank of Hope
Banner Bank
Heritage Bank
United Way
Wells Fargo Bank
Yakima Federal Savings

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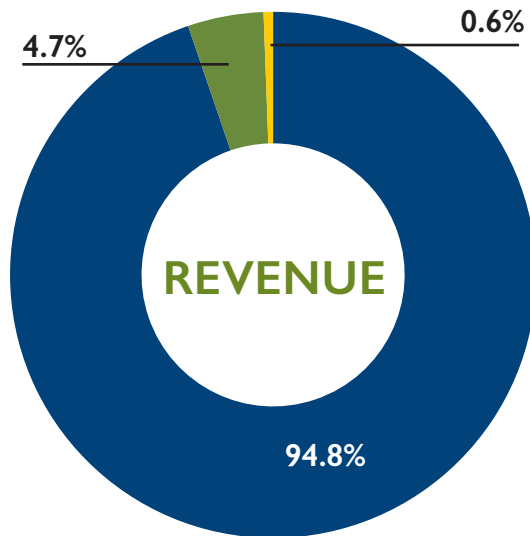
Steve Walker

Director | Office of Housing, City of Seattle

2019 STAFF & BOARD OF DIRECTORS

REVENUE

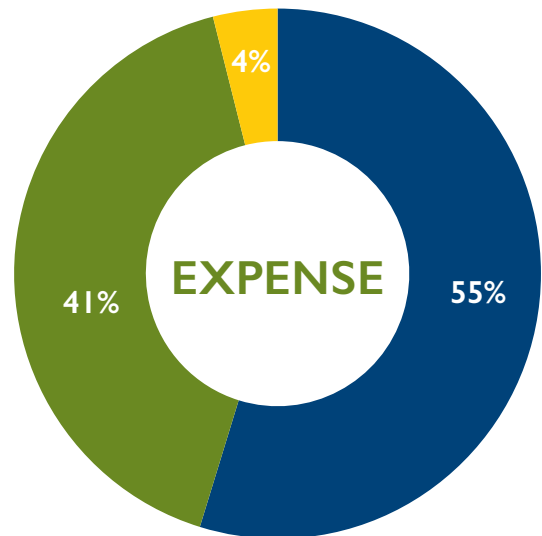
Program Interest & Fees	\$1,063,581
Contributed Income	\$52,277
Other Income	\$6,502
Total Revenue	\$1,122,360



- Program Interest & Fees
- Contributed Income
- Other Income

EXPENSE

Lending	\$371,988
Management & General	\$280,403
Fundraising	\$26,817
Total Expense	\$679,208



- Lending
- Management & General
- Fundraising

2019

STATEMENT OF FINANCIAL POSITION

ASSETS		LIABILITIES & NET ASSETS	
Cash & Investments	\$5,292,124	Accounts Payable	\$100,144
Loans Receivable	\$14,534,687	Loans Payable	\$14,978,061
Accounts Receivable & Other Assets	\$81,788	Net Assets	\$4,830,394
Total Assets	\$19,908,599	Total Liabilities & Net Assets	\$19,908,599

STATEMENT OF ACTIVITIES

	Unrestricted	Donor Restrictions	Total
Revenues	\$1,092,360	\$30,000	\$1,122,360
Net Assets Released from Restrictions	\$138,439	\$(138,439)	-
Total Revenues	\$1,230,799	\$(108,439)	\$1,122,360

Expenses	\$679,208	-	\$679,208
Change in Net Assets	\$551,591	\$(108,439)	\$443,152
Net Assets Beginning of Year	\$1,054,057	\$3,333,185	\$4,387,242
Total Liabilities & Net Assets	\$1,605,648	\$3,224,746	\$4,830,394

FINANCIAL OVERVIEW

TOGETHER WE CAN MAKE A LASTING IMPACT



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