



2020 ANNUAL REPORT

We provide access to capital for low- and moderate-income community developments in the Pacific Northwest.

NEW LOANS CLOSED

\$11,023,704

NUMBER OF NEW
PROJECTS FUNDED

19

NEW HIGH POVERTY
AREA LOANS

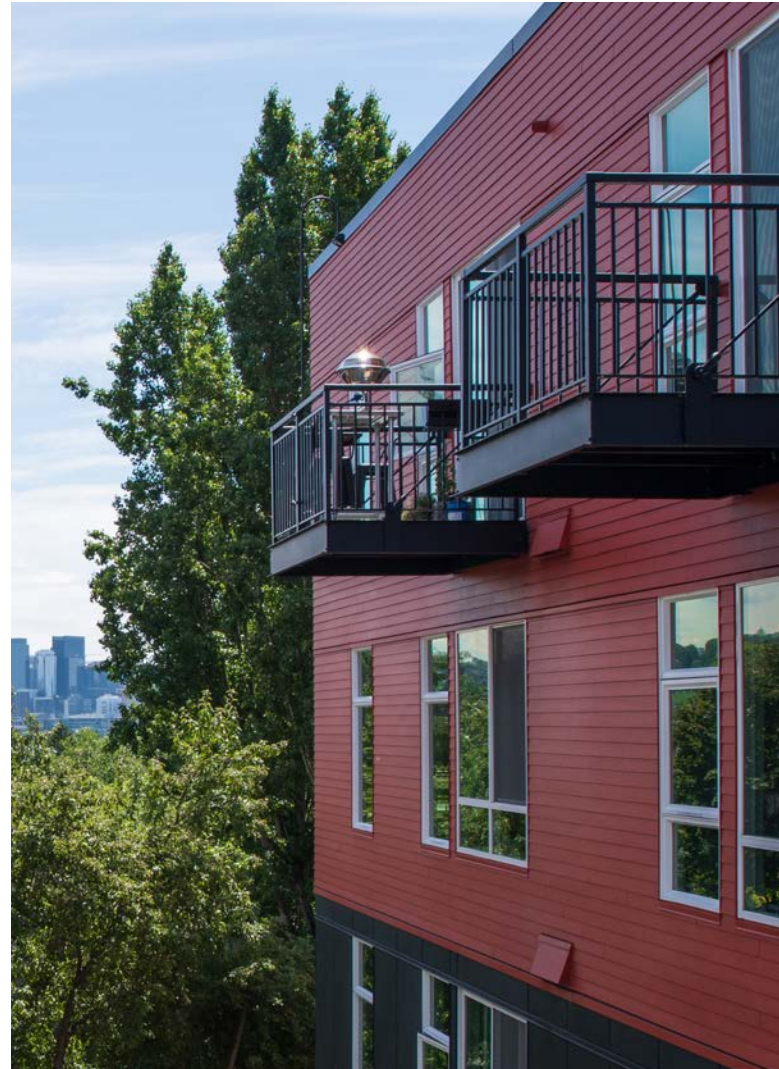
8

AFFORDABLE HOUSING RENTAL
UNITS CREATED

1,210

CAPACITY OF COMMUNITY
SERVICES DEVELOPED

694



**OUR 2020
IMPACTS**

To our valued Partners, Investors and Colleagues,

We look back on 2020 as a year of significant challenges and great successes for Impact Capital. Economic uncertainty brought on by the COVID-19 pandemic caused many financial institutions to retract from their lending operations and reevaluate community development capital deployments. Amidst this uncertainty, we as a region and a country also struggled with hard truths about our past and the entrenched systems of inequity that persist today. Impact Capital plays a small yet important role in providing access to capital to organizations working to address these inequities in our local communities. We remain steadfast in our commitment to providing investments in historically underserved neighborhoods.

In fact, despite the difficulties brought on by the COVID-19 pandemic, Impact Capital deployed more community development capital than in any previous year in our history. We addressed the economic uncertainty of 2020 by bolstering loss reserves and increasing communication with our borrower partners to ensure their community development activities would be able to continue through the year, unabated. The result: 2020 was a banner year for Impact Capital's lending operations with a record amount of community development funding and expansion of our positive impact in the neediest communities throughout the Pacific Northwest. In the face of the challenges that 2020 brought, we were pleased to end the year with historic levels of investment, very little disruption to our lending operations and no negative impact to our portfolio.

With Impact Capital's steadfast commitment and preparation in the face of the uncertainties of 2020, our borrower partners were able to maintain their community development work toward addressing the needs of underserved communities in the Pacific Northwest. We eagerly anticipate carrying the same dedication and vigor to our beneficial community development lending operations in 2021 and beyond.

Respectfully,

Bryan Ketcham, Board Chair

Joel Millar, President



2020

COMMUNITY LENDING FOR NONPROFITS

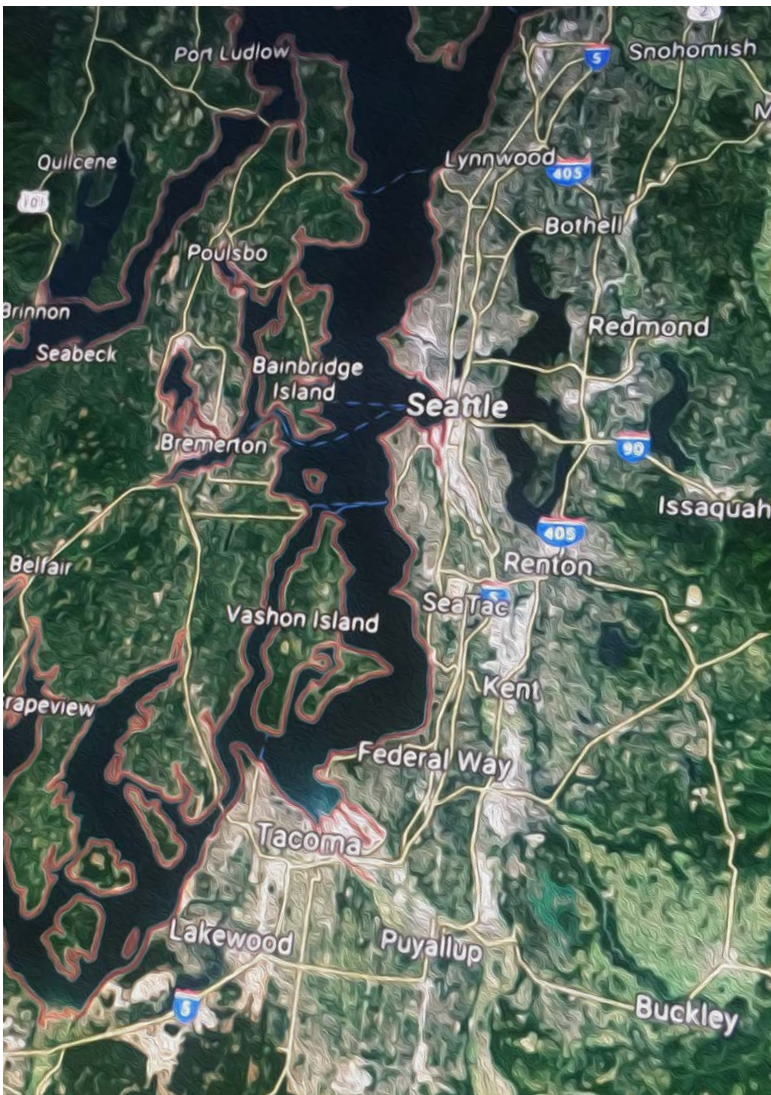
Capital for new projects can be scarce for nonprofits, housing authorities, and tribal entities. We offer essential early-stage financing which jumpstarts development and attracts more financing.

New Loans Per County in 2020

Chelan: 2	Kittitas: 1	Skagit: 1
Clackamas: 1	Multnomah: 1	Snohomish: 1
Jefferson: 1	Pacific: 2	Thurston: 1
King: 6	Pierce: 1	Washington: 1

Total Loans Per County

Adams: 5	Island: 2	Pierce: 65
Asotin: 1	Jefferson: 7	San Juan: 13
Benton: 9	King: 359	Skagit: 16
Chelan: 16	Kitsap: 7	Skamania: 4
Clackamas: 1	Kittitas: 7	Snohomish: 47
Clallam: 9	Klickitat: 2	Spokane: 52
Clark: 21	Lewis: 4	Stevens: 3
Cowlitz: 6	Lincoln: 4	Thurston: 7
Douglas: 4	Mason: 2	Walla Walla: 8
Ferry: 1	Multnomah: 1	Washington: 3
Franklin: 4	Okanogan: 14	Whatcom: 20
Grant: 17	Pacific: 8	Whitman: 8
Grays Harbor: 2	Pend Oreille: 1	Yakima: 30



LOANS PER COUNTY

CHIEF SEATTLE CLUB

Sacred Medicine House, Lake City, WA

In the fall of 2020, with the help of Impact Capital, CSC embarked on a unique and challenging project – to create a new permanent supportive housing development for 120 of its AI/AN relatives who are experiencing or are at risk of homelessness.

Impact provided critical predevelopment financing to support CSC's early feasibility, design and permitting activities for this unique modular-built development designed to deliver the units on an accelerated timeline.



“Sacred Medicine House will be a place of healing that will provide housing in a trauma-informed, culturally appropriate and holistic model centered on building community and fostering a sense of belonging. The focus on healing in a welcoming and safe setting is endemic to this PSH model and the belief that AI/ANs can develop a stronger sense of community built on the restoration of cultural practices, tribal traditions, and tribal values to restore wellness and balance.”

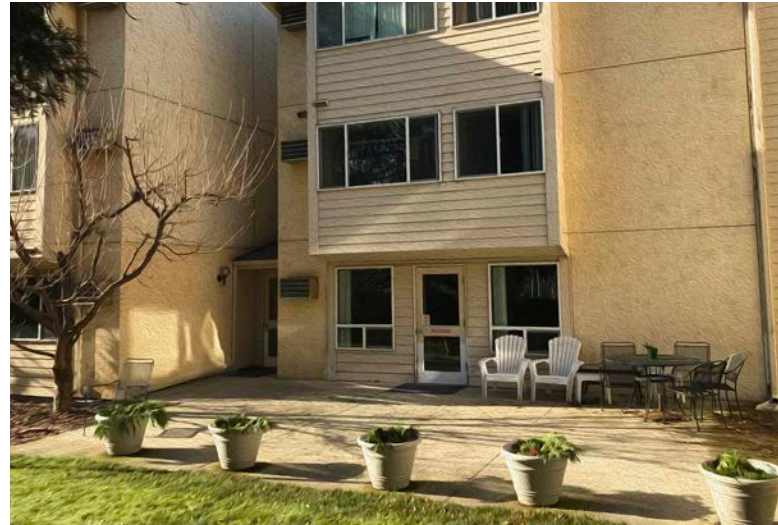
Michelle Morlan, *Principal, Lotus Development Partners LLC*

HOUSING AUTHORITY OF CHELAN COUNTY AND CITY OF WENATCHEE

Mountainview Apartments and Emerson Manor

The Housing Authority of Chelan County and the City of Wenatchee is currently working on two projects that are financially supported, in part, by funding through Impact Capital. These projects, located in Chelan County in Central Washington, will have a tremendous impact on the housing quality of the low-income seniors and agricultural families who will reside in them. Mountainview Apartments, a new 66-unit complex located in rural Entiat, WA, will be home to low-income families whose income is generated from work in local agriculture. Many of the new residents of Mountainview Apartments will come from over-crowded units or those that are substandard. Emerson Manor, originally purchased by the Housing Authority in 2014 is in “urban” Wenatchee and provides affordable rental housing to low-income seniors.

The need for senior housing in the Wenatchee Valley far exceeds the supply. Funding provided by Impact Capital will support the renovation of Emerson Manor, maintaining the quality and integrity of this much needed housing stock.



Through the efforts of Impact Capital, over 100 families and individuals in the Wenatchee Valley will experience the benefits that come with improved housing, which as we know, has an overall positive impact on the entire community.”

Alicia McRae, Executive Director, Housing Authority of Chelan County and City of Wenatchee

COMMUNITY ROOTS HOUSING

Bonanza

The Bonanza project is the preservation and rehabilitation of the Ponderosa, El Nor and 18th Avenue buildings in the Central District. It embodies one of our most core tenets: Everyone has the right to a quality, affordable home. In some cases, those quality homes are produced not through new construction, but through a reinvestment in our existing portfolio.



CHP-I, Bremer

Classic brick building in Belltown with easy access to Seattle Art Museum Sculpture Park, downtown Seattle, or Queen Anne. Apartments are spacious and feature large windows. 49 Total Apartments (31 studio, 17 one bedroom, 1 two bedrooms). Built in 1924. Income Requirements: households earning 30%, 40%, and 50% of area median income. Students are welcome!



COMMUNITY ROOTS HOUSING

John Carney

Conveniently located on First Avenue in Belltown. Residents enjoy access to a large, quiet courtyard while living in the heart of downtown Seattle, just two blocks from the Sculpture Park and Seattle Center. Apartments at the John Carney are modern and well-maintained. 27 Total Apartments, (23 studio, 4 one bedroom), built in 1993. This building serves households earning 30%, 40%, and 50% of area median income.



“Impact Capital is a key financing partner for Community Roots Housing’s mission of creating community-based affordable housing. Impact Capital understands our need for capital early in development projects by providing both acquisition and predevelopment loans.”

Jeremy Wilkening, Vice President of Real Estate Development, Community Roots Housing

KIRKLAND TWG

Grata at Totem Lake

125 units: 5 four-bedroom, 20 three-bedrooms, 10 two-bedrooms, 65 one-bedrooms, and 25 studios; 86 parking stalls rent-free; 100% of the units at and below 60% AMI; pet friendly with a secured dog area for resident safety at night.



“Impact Capital funds are empowering local efforts to support affordable housing by funding the most critical phase of housing development for TWG and LifeWire. Grata at Totem Lake will provide 125 units affordable to households earning no more than 50% of the area median income, including 5 four-bedrooms and 20 three-bedrooms for families. 20 units will be specifically designated for survivors of domestic violence. This new development at Totem Lake park is made possible due to Impact Capital’s locally raised funding and pro-active lending strategies.”

Megan Adams, TWG Development

SABIN CDC

Harvey Rice Heritage

The Project will be the new construction of 41 units for low-income families at or below 60% AMI in Portland, OR. The total project budget is roughly \$16.2 million and will feature 6 studio, 12 one-bedroom, 13 two-bedroom, and 10 three-bedroom affordable apartments.

Executive Director of Sabin CDC, Mary Schoen Clark, says that they have chosen to name the individual buildings of the Harvey Rice Heritage after local African American artists whose legacies reverberate through the community through their art, teachings, and activism. The artists, Isaka Shamsud-Din and Charlotte Lewis, each wove their African American heritage within their art as a means of strengthening community. While each worked in unique media, they often collaborated to produce, through their drawings, murals, paintings, and textiles, a permanent history of a community that has been disbanded by the forces of gentrification.



“Impact Capital plays a vital role in providing predevelopment financing for our project - supporting us with the that aspiration to preserve NE Portland’s African American communities by expanding housing choice for low-income individuals and families.”

Mary Schoen Clark, *Executive Director of Sabin CDC*

Bellwether Housing
Greenwood Boys and Girls Club

Blue Mountain Action Council
BMAC Service Center

Catholic Housing Services of Western Washington
Multiple Projects

Chief Seattle Club
Sacred Medicine House

Community Partners for Affordable Housing
Basalt Creek

Community Roots Housing
Lake City Acquisition / Other Projects

Compass Health
Bailey Campus

Compass Housing Alliance
Compass Columbia City

Congregations for the Homeless
East King County Men's Shelter

DASH
Multiple Projects

Emerald Cities Seattle
RENEW

FAME
Bryant Manor Apartments

Family Support Center of South Sound
Westside Olympia Housing

Georgetown Community Development LLC
Lucile

H.A. of Chelan County and City of Wenatchee
Emerson Manor / Mountainview
Housing Development

Homestead CLT
Yakima Ave Townhomes / Riverton Park

Hope Alliance
HRN Emergency Shelter

Housing Authority of Skagit County
Mount Vernon Farmworker Housing

Housing Hope
Twin Lakes Landing II / Lake Martha Ridge

ICDA
Acme Apartments

Joint Pacific County Housing Authority
Pacific Place Preservation / Willapa Center

Kirkland TWG LLLP
Grata

Mount Zion Housing Development
Mt. Zion at 19th

Mt. Baker Housing Association
Hooe-Neiders / McClellan
Strip Apartments / Other Projects

New Hope Missionary Baptist Church of Seattle
123 21st Ave / 114-116 21st Ave

New Phoebe House Association
Phoebe Family Reunification and
Recovery Center

Nexus Youth and Families
936 Remodel

Northaven
Northaven III

Olympic Community Action Programs
7th and Hendricks

Primm ABC Child Care Center
Primm ABC Childcare Expansion

ROOTS Young Adult Shelter
ROOTS Shelter

RPH Corporation
Oregon City Terrace

Sabin CDC
Harvey Rice Heritage

SCIDpda
Pacific Hospital Towers / North Lot

Shiloh Baptist Church
Shiloh Baptist Church Residential Project

Skyway Solutions
Skyway Redevelopment

Sons of Haiti
Sons of Haiti

Telegraph Townhomes, L.L.C.
Telegraph Townhomes

Transitional Resources
Yancy Street

Vashon Household
Island Center Apartments / Sunflower
Subdivision

Yakima Housing Authority
Fruitvale Housing / Cosecha Court II /
Veteran Supportive Housing

2020
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 2020. Your support helps us build vibrant communities throughout the Pacific Northwest.

Investors

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

Corporate, Foundation, and Government Supporters

Amazon Smile
Banner Bank
Heritage Bank
Yakima Federal Savings

Individual Supporters

Leanne Antonio
Randy Robinson



2020 SUPPORTERS

Staff

Joel Millar | *President*

Lora Bouelle | *Director of Finance & Operations*

Marcel Neff | *Vice President, Lending*

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Director | Catholic Charities Housing Services of Yakima

Leanne Antonio

Vice Board Chair
President, CEO | Yakima Federal

Doug Prince

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Shareholder | Buchalter Law Firm

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Chief Financial Officer | Opportunity Council, Bellingham

Ann Melone

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Randy Robinson - RIP

Senior Vice President, Community Development Lending | Heritage Bank

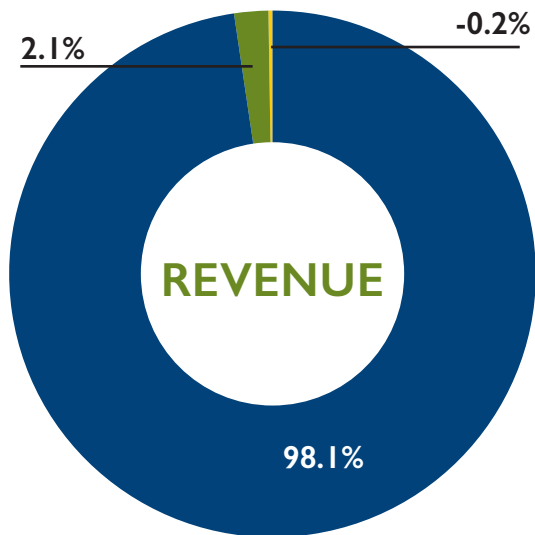
Steve Walker

Director | Office of Housing, City of Seattle

2020 STAFF & BOARD OF DIRECTORS

REVENUE

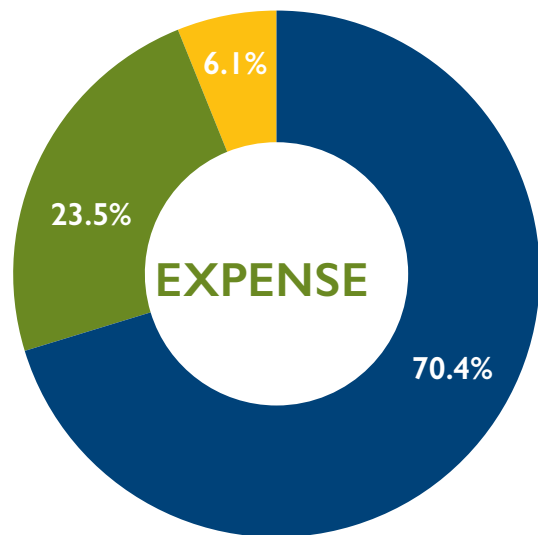
Program Interest & Fees	\$1,305,485
Contributed Income	\$27,981
Other Income	\$(3,322)
Total Revenue	\$1,330,144



- Program Interest & Fees
- Contributed Income
- Other Income

EXPENSE

Lending	\$853,020
Management & General	\$285,092
Fundraising	\$74,195
Total Expense	\$1,212,307



- Lending
- Management & General
- Fundraising

2020

STATEMENT OF FINANCIAL POSITION

ASSETS		LIABILITIES & NET ASSETS	
Cash & Investments	\$3,270,271	Accounts Payable	\$132,041
Loans Receivable	\$20,910,199	Loans Payable	\$19,228,061
Accounts Receivable & Other Assets	\$127,863	Net Assets	\$4,948,231
Total Assets	\$24,308,333	Total Liabilities & Net Assets	\$24,308,333

STATEMENT OF ACTIVITIES

	Unrestricted	Donor Restrictions	Total
Revenues	\$1,330,144	-	\$1,330,144
Net Assets Released from Restrictions	\$50,599	\$(50,599)	-
Total Revenues	\$1,380,743	\$(50,599)	\$1,330,144

Expenses	\$1,212,307	-	\$1,212,307
Change in Net Assets	\$117,837	-	\$117,837
Net Assets Beginning of Year	\$4,830,394	-	\$4,830,394
Total Liabilities & Net Assets	\$4,948,231	-	\$4,948,231

FINANCIAL OVERVIEW

TOGETHER WE CAN MAKE A LASTING IMPACT



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