



2022

ANNUAL REPORT

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

NEW LOAN COMMITMENTS

\$22,000,000

NUMBER OF NEW
PROJECTS FUNDED

12

AFFORDABLE RENTAL
HOUSING UNITS CREATED

1,224

CAPACITY OF COMMUNITY
SERVICES DEVELOPED

1040

TOTAL PROJECT COST OF
PROJECTS FUNDED

\$461,000,000



OUR 2022
IMPACTS

Dear Stakeholders and Colleagues,

As we close another successful year at Impact Capital, we want to take this opportunity to express our gratitude to our supporters, development partners and our investors for their continued support and trust in Impact Capital and our mission to provide accommodative capital toward beneficial developments in underserved communities throughout the Pacific Northwest. We are proud to be a leading provider of financing for affordable housing developments and other community development projects across the Pacific Northwest, addressing the needs of underserved communities and contributing to the social and economic development of our region.

The affordable housing industry faces many on-going challenges, including rising construction costs, limited supply of land and labor, regulatory barriers, and increased competition from investors and institutional real estate buyers. Despite these headwinds, Impact Capital has been able to achieve strong loan portfolio growth and community impact in 2022, thanks to our experienced team, innovative products, and strategic partnerships. Resulting from Impact Capital's steadfast commitment to deploying our beneficial community development capital, 2022 saw one of the highest annual loan production totals for Impact Capital. We are proud of our performance as a team and are grateful for the opportunity to contribute to improving conditions within the communities we serve.

Looking ahead, we recognize that the demand for our work in community development finance requires us to double our efforts and strive for ever greater impact within the communities we serve. We are optimistic about the future of affordable housing production in the Pacific Northwest and our ability to facilitate development and preservation of affordable housing in our five-state geographic region. We believe that community development projects, and specifically affordable housing, are not only socially beneficial but also a smart investment for our community partners, investors and government entities. Affordable housing is one of the most important industries that creates stability and opportunities within historically underserved communities. The demand for affordable housing is high and growing, as more Americans struggle with housing cost burdens and face limited options in the market. Impact Capital's mission is to alleviate that burden to our greatest capability and reduce the barriers to affordable housing throughout the Pacific Northwest region.

We are committed to continuing our mission of providing financing solutions for affordable housing and other community development projects which benefit underserved communities and create positive social impact. We are also committed to enhancing our value proposition to our stakeholders by improving our operational efficiency, diversifying our portfolio, innovating our products and services, and fostering a culture of excellence and integrity.

We appreciate your interest in our work, your partnership and your confidence in Impact Capital. We look forward to the continued pursuit of our mission through the expansion of our impactful community development lending activities in 2023 and beyond.

Sincerely,

Bryan Ketcham - Board Chair, Impact Capital

Joel Millar - President, Impact Capital



COMMUNITY LENDING FOR NONPROFITS

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

New Loans Per County in 2022

Clark: 1	Skagit: 1	Spokane: 1
King: 5	Snohomish: 1	Yakima: 1
Multnomah: 1		

Total Loans Per County

Adams: 5	Island: 2	Pierce: 66
Asotin: 1	Jefferson: 7	San Juan: 13
Benton: 9	King: 367	Skagit: 17
Chelan: 16	Kitsap: 7	Skamania: 4
Clackamas: 1	Kittitas: 7	Snohomish: 50
Clallam: 9	Klickitat: 2	Spokane: 53
Clark: 22	Lewis: 4	Stevens: 3
Cowlitz: 6	Lincoln: 4	Thurston: 7
Douglas: 4	Mason: 2	Walla Walla: 8
Ferry: 1	Multnomah: 2	Washington: 3
Franklin: 4	Okanogan: 14	Whatcom: 21
Grant: 19	Pacific: 8	Whitman: 8
Grays Harbor: 2	Pend Oreille: 1	Yakima: 32



LOANS PER COUNTY

SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

North Lot, Seattle, WA

“In partnership with the PHPDA, SCIDpda was able to seize an opportunity to develop a marquee affordable housing project at North Lot of the Pacific Hospital Campus on Beacon Hill. As the need for affordable housing in the city of Seattle continues to stress all public resources, predevelopment funds are currently difficult to secure for many local affordable housing developers. SCIDpda is pleased to report that the project closed on acquisition and construction financing for the first of two phases in October of 2022. Now, where there was previously an underutilized surface parking lot, there will be up to 270 units of affordable housing and 35,000 square feet of community services on the ground floor, including much-needed affordable childcare. Without the support and resources from Impact Capital through the predevelopment phase, the project would simply not have gotten off the ground.”

Josh Sellers Park, *Real Estate Project Manager at SCIDpda*



SCIDpda's North Lot is a new construction on the northern most parcel of the iconic Pacific Medical Center in Seattle's southern Beacon Hill Neighborhood. The final project will consist of two 6-story buildings, accommodating 262 units for very low- and low-income workers and families, and centers for early childhood education and elderly care.

HOUSING AUTHORITY OF CHELAN COUNTY AND CITY OF WENATCHEE

Emerson Manor, Wenatchee, WA

“Impact Capital provided a loan of \$150,000 during the predevelopment phase at the Emerson Manor Apartments, which helped us cover costs like architecture, the third-party inspection reports for the permanent lender, HUD requirements, and permits. Their application was straightforward, and their draw process was simple and provided funding quickly. Their loan program provided much needed flexibility during a lengthy delay in predevelopment and their staff was easy to work with at every point in the process and understood the unique challenges of affordable housing finance.”

Kevin King, *Director of Development and Asset Management at The Housing Authority of Chelan County & the City of Wenatchee*



Emerson Manor is a 35-unit senior housing property located in Wenatchee, WA. The project consists of renovating the property for senior residents of low and very-low income. Built in 1976, the property has many original systems and needs replacements and upgrades to extend the useful life of the building and its systems and ensure accessibility features meet current standards.

FIRST A.M.E HOUSING ASSOCIATION

Bryant Manor, Seattle, WA

The Bryant Manor Apartments, located at 1801 E. Yesler Way, is a 1.77-acre site in Seattle's Central District. The site comprises six 4-story apartment buildings and 58 units housing large households. FAME Housing will replace the aging buildings with two buildings constructed in 2 phases. The first phase will be a 7-story building with 101 new apartments and the Ashe Prep Early Learning Center. The second phase will begin after construction is complete on phase one and includes a 7-story 149-unit building.

The project aims to provide affordable housing for families earning between 30% and 60% of the area median income, with a cultural orientation toward the Black community. The “new” Bryant Manor will include 250 new units. 85% of the units will be family size, creating added capacity for at least 550 family members, fulfilling a critical shortage of family-sized units.



“In the beginning, when the project was viewed as a complete longshot by the affordable housing community, Impact Capital was there to make the first investment. With the initial Pre-Development Feasibility loan, we proved to the doubters that we could and would build affordable family housing. Impact Capital partnered with us two additional times to help to make our project a reality. Thanks to Impact Capital, we proudly say Bryant Manor Phase I is on the way!”

Shawn Abdul, Executive Director at First A.M.E. Housing

OPPORTUNITY COUNCIL

Laurel Forest, Bellingham, WA

The Laurel Forest Housing project consists of 56 units of low-income senior housing located in downtown Bellingham, WA. The housing project will serve seniors 55 and older with incomes at or below 50% of the area median income. In addition to providing housing, the project will also include a three-classroom early learning center serving toddler, preschool, and before and after school programs.



“The Impact Capital financing provided pre-development financial support to the Laurel Forest Housing project that assisted the development team to reach critical milestones while working towards its full funding goals. Having these funds available during the preliminary stages of development aided us in being able complete our feasibility and due diligence on schedule, enabling us to move forward in our development timeline. Now the project has secured full funding and has started construction; we are really excited at how smoothly the financial transaction process was to get us to this point.”

Adrienne Solenberger, Housing Development Manager at Opportunity Council

THE HOUSING AUTHORITY OF THE CITY OF YAKIMA

Fruitvale Housing, Yakima, WA

“The Housing Authority of the City of Yakima (YHA) has been supported by Impact Capital’s predevelopment funds for years, protecting the viability of numerous projects. Fruitvale Housing was awarded a no interest loan allowing the Housing Authority to investigate the property, obtain an architect and prepare for funding applications without using YHA’s limited reserves. This investment aids the project in the most vulnerable time, from concept to application.

Impact Capital assisted the Housing Authority again by transitioning the initial predevelopment loan into a Phase II Construction Loan. Without the help of Impact Capital’s loans, the Housing Authority would be unable to move forward with projects due to the inability to fund \$885,000 of predevelopment expenses for over a year. Impact Capital’s support allows the Housing Authority to continue its mission to develop safe and affordable housing.

With this critical early assistance from Impact Capital, Fruitvale Housing is officially in construction and will be welcoming residents in early 2024.”

Ashleigh Kilgore, *Housing Developer at The Housing Authority of the City of Yakima*



Fruitvale Housing is the new construction of 54 units of affordable housing located at 1116 Fruitvale Blvd in Yakima, WA. The project will be one four story building with a new YHA office on the first floor. 27 units of housing will be for general low income and 27 units will be set aside for households exiting homelessness. 14 residents will be assisted with Project Based Housing Vouchers and a Resident Services Coordinator will be provided through a partnership with Yakima Neighborhood Health Services.

FAMILY SUPPORT CENTER OF SOUTH SOUND

The Landing, Olympia, WA

“Impact Capital really came through for us providing the necessary funding to take this project from a vacant plot of land into the robust affordable housing construction site that it is today. As a non-profit organization that does not have hefty reserve funds, the loan early in the project from Impact Capital gave us the capacity to complete all of the predevelopment tasks required to leverage millions of dollars in public funds to make this project come to fruition. Thank you, Impact Capital, for partnering with us to develop these 62 new homes for highly vulnerable, low-income families with kids and survivors of domestic violence in our community.”

Trish Gregory, *Executive Director at Family Support Center of South Sound*



Family Support Center of South Sounds’ project, The Landing, will be the first of a two-phase affordable housing project. The 62-unit development will be located on the Westside of Olympia across from the Family Support Center’s main campus; providing tenants with streamlined access to a wide array of supportive services. The project will house families with children and survivors of domestic violence. Half of the units will serve households at or below 30% of Area Median Income (AMI) and the other half will serve households at or below 50% AMI. The project is currently under construction with an expected occupancy date of November 2023.

JOINT PACIFIC COUNTY HOUSING AUTHORITY

Pacific Place Apartments Preservation, South Bend, WA

“The Joint Pacific County Housing Authority (JPCHA) was approached by the owners of Pacific Place Apartments to see if we were interested in acquiring the project. The intention of the ownership was to exit the USDA RD contract and sell to the market. Considering that these affordable units for elderly could be lost, JPCHA agreed to seek funding for the acquisition and rehabilitation. Since this project was unplanned and the agency was already constructing 30 units of new housing, funds were tight. Impact Capital stepped in and provided predevelopment funding to cover costs until closing. Without this assistance, JPCHA would not have had the resources to take on this project and preserve this important affordable housing for Pacific County. We are grateful for Impact Capital and the assistance they provide us. We are proud to have completed this unplanned project. Now Pacific Place will continue to be an affordable housing resource for the long term.”

Jennifer Westerman, Chief Executive Officer at The Joint Pacific County Housing Authority



The Pacific Place Apartments project is the preservation of 23 units of affordable housing for seniors in South Bend, WA. After the acquisition, JPCHA will spend roughly \$1.2 million on rehabilitation and parking lot updates. All 23 tenants have Section 8 housing vouchers, and there will be one manager unit in the building.

TWG DEVELOPMENT

Elements at Georgetown, Seattle, WA



Ardea at Totem Lake, Kirkland, WA



“Impact Capital’s funding for predevelopment and land is the only reason over 320 units of affordable housing are now a reality for the most underserved neighborhood in Seattle—Georgetown—and for the closest property to the upgraded I-405 transit station in Totem Lake, Kirkland.

Elements at Georgetown is phase one of a multi-phase plan to bring many hundreds of much needed affordable housing units, increased arts rental spaces, childcare center, other amenities, a new public park, and increased local business commercial spaces to the neighborhood.

[The] Ardea at Totem Lake development will serve seniors next to a preserved wetland and many amenities less than a quarter mile walking distance. Imagine Housing, along with Northshore Community Senior center, will ensure the senior residents have easy access to their greater community and a plethora of services.”

Megan Adams, Senior Development Director at TWG Development

Upon completion in 2024, the \$54-million Elements at Georgetown project will provide 152 units, restricted to residents of <60% AMI in the Georgetown neighborhood of Seattle, WA.

The Ardea at Totem Lake project will consist of a new \$75 million, 165-unit multifamily affordable housing project, serving a 62+ senior population with 70% of units at 50% AMI and 30% of units at 60% AMI, in the Totem Lake Urban Center of Kirkland, WA. Ardea is scheduled to be completed in early 2025.

Ardea TWG, LLLP

Ardea at Totem Lake

Catholic Charities Housing Services

Grant County Sites / Mattawa III

Catholic Charities of Oregon

Francis + Clare Place

**Catholic Housing Services of
Western Washington**

Line of Credit

Community Frameworks

Highland Village Phase 2

**Community Partners for
Affordable Housing**

Plambeck Gardens

Community Roots Housing

Line of Credit

El Centro de la Raza

El Centro Columbia City

FAME

Bryant Manor Apartments

**Family Support Center
of South Sound**

Westside Olympia Housing

**H.A. of Chelan County and
City of Wenatchee**

Emerson Manor

HopeSource

Teanaway Court Apartments

Housing Hope

Edmonds Lutheran Church Housing

Scriber Field

Edmonds Lutheran Church Field Apts

ICDA

Acme Apartments

Joint Pacific County Housing Authority

Pacific Place Preservation

Kirkland TWG LLLPt

Grata

LIHI

LIHI Main Street

Mt. Baker Housing Association

MBHA LOC

Mullen-Polk Foundation

dba Our Next Generation

Our Next Generation II

**New Hope Missionary Baptist
Church of Seattle**

114-116 21st Ave

123 21st Ave

Opportunity Council

Laurel and Forest

Parkview Services

Parkview Homes XIX

Peninsula Pines Homeowners

Cooperative

Peninsula Pines Cooperative

SCIDpda

North Lot

Shiloh Baptist Church

Residential Project

Skyway Solutions

Skyway Redevelopment

Sons of Haiti

Sons of Haiti

**Telegraph Townhomes, L.L.C.**

Telegraph Townhomes

**The Housing Authority of the
City of Yakima**

Cosecha Court II Phase III

TWG Development, LLC

Elements at Georgetown

University Temple Children

UTCS Expansion

VOAWW

VOA North

Yakima Housing Authority

Fruitvale Housing

Cosecha Court II Phase III

Fruitvale Housing Ph II

2022 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 2022. Your support helps us build vibrant communities throughout the Pacific Northwest.

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Heritage Bank
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Marcel Neff | *Vice President, Lending*

Lora Bourelle | *COO/CFO*



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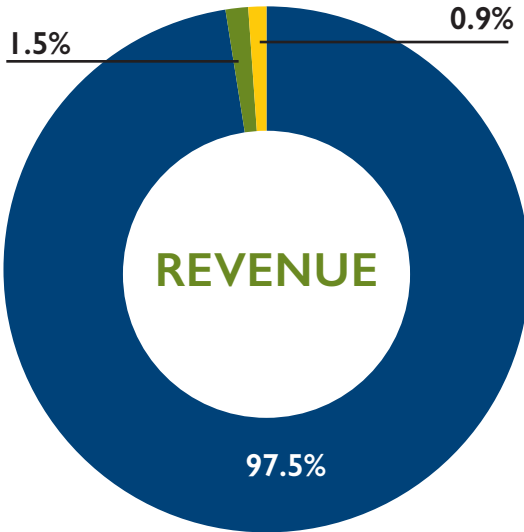
Steve Walker

Director | Office of Housing, City of Seattle

2022 STAFF & BOARD OF DIRECTORS

REVENUE

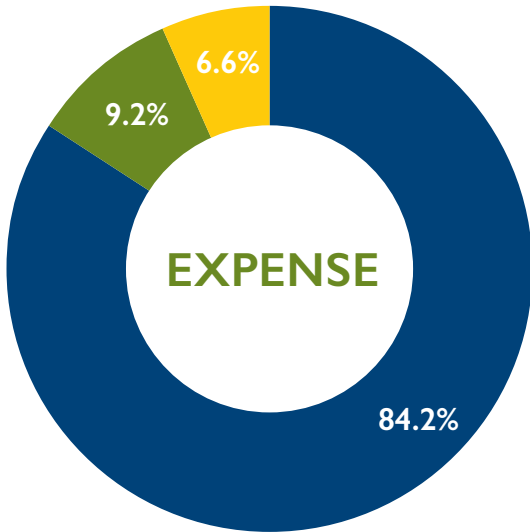
Program Interest & Fees	\$938,041
Contributed Income	\$8,819
Other Income	\$14,754
Total Revenue	\$961,614



- Program Interest & Fees
- Other Income
- Contributed Income

EXPENSE

Lending	\$1,236,832
Management & General	\$135,330
Fundraising	\$96,180
Total Expense	\$1,468,342



- Lending
- Management & General
- Fundraising

2022

STATEMENT OF FINANCIAL POSITION

ASSETS		LIABILITIES & NET ASSETS	
Cash & Investments	\$6,396,539	Accounts Payable	\$173,983
Loans Receivable	\$16,236,505	Loans Payable	\$17,478,061
Accounts Receivable & Other Assets	\$131,340	Net Assets	\$5,112,340
Total Assets	\$22,764,384	Total Liabilities & Net Assets	\$22,764,384

STATEMENT OF ACTIVITIES

	Unrestricted	Donor Restrictions	Total
Revenues	\$961,614	-	\$961,614
Net Assets Released from Restrictions	-	-	-
Total Revenues	\$961,614	-	\$961,614

Expenses	\$1,468,342	-	\$1,468,342
Change in Net Assets	(\$506,728)	-	(\$506,728)
Net Assets Beginning of Year	\$2,501,542	\$3,117,526	\$5,619,068
Total Liabilities & Net Assets	\$1,994,814	\$3,117,526	\$5,112,340

FINANCIAL
OVERVIEW

TOGETHER WE CAN MAKE A LASTING IMPACT



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