

2013

IMPACT CAPITAL 2013 ANNUAL REPORT

*Together We're Building Equitable, Vibrant
& Sustainable Communities in Washington State*



**Impact Capital
helps build vibrant
communities for
generations of
healthy families**



THANK YOU FOR HELPING US SUPPORT VIBRANT COMMUNITIES

Dear Friends,

For all you do to help us realize our shared vision to nurture equitable, vibrant, and sustainable communities in Washington State, we thank you deeply.

With the generous support Impact Capital received in 2013 from friends, partners, donors, and colleagues, we successfully:

-  Provided **\$4.6 million in financing** for the creation or preservation of **962 units of affordable housing** in both rural and urban communities throughout Washington.
-  Helped create **safe and healthy neighborhoods** by bringing resources to Washington from our national partner, Local Initiative Support Corporation (LISC), which included **\$129,660 in HUD Section 4 capacity building grants** for three Seattle organizations.
-  Provided **organizational support** to business associations in Spokane's East University District and the Hillyard Historic Core.
-  Worked alongside City of Seattle teams to create **vibrant commercial districts**.
-  Provided **technical assistance plus \$85,230 in grant money** to support the work of **34 nonprofit organizations** as part of the Puget Sound Regional Equity Network.
-  Convened community development **roundtables** in Spokane and Yakima featuring local **elected officials, government leaders, nonprofit developers and service providers**.

Your contributions make it possible for Impact Capital to connect people with resources through our lending and community building programs. You can support our ongoing efforts to nurture Northwest neighborhoods by making a donation, and by sharing your favorite stories from this report with your friends and colleagues.

Sincerely



Kim Herman, Board Chair



Judith Olsen, Executive Director



OUR FOCUS

*Impact Capital helps
connect people with resources*

INVEST

We invest in organizations that build and nurture Northwest communities.

SUSTAIN

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

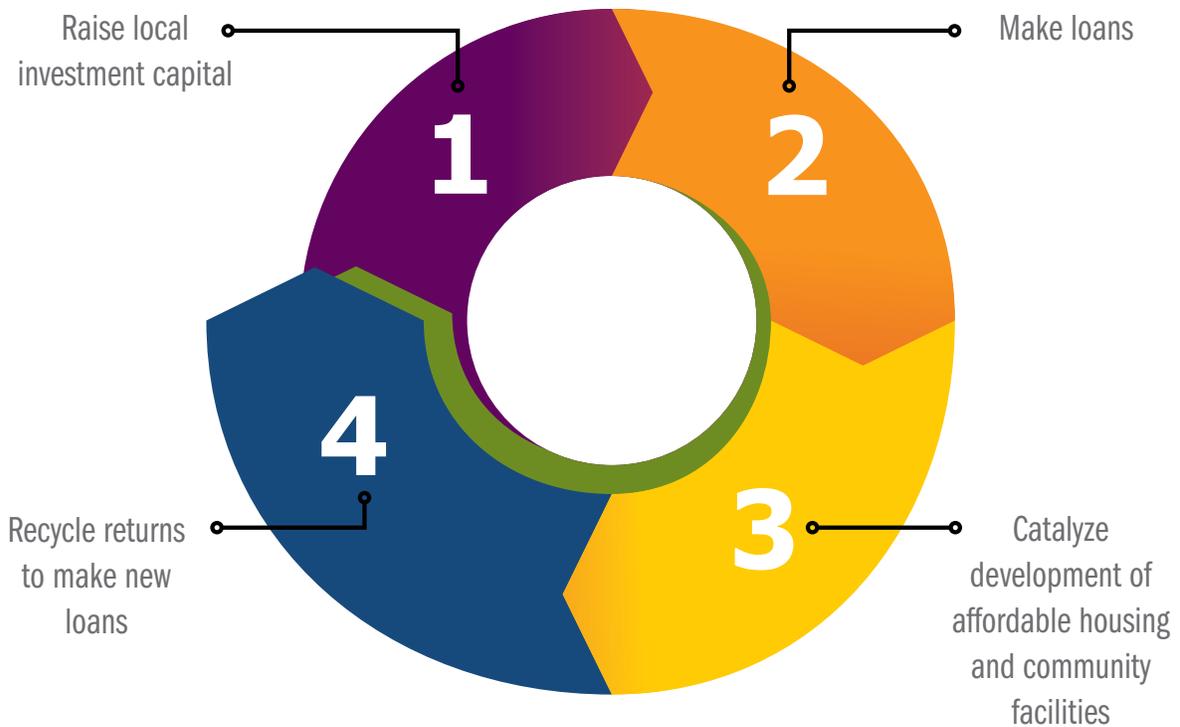
PARTNER

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

FLEXIBLE, TIMELY FINANCING HELPS NONPROFITS BUILD COMMUNITIES

As a nonprofit Community Development Financial Institution (CDFI), we raise capital from banks and foundations that allows us to provide innovative, high-touch, first-in financing to nonprofits, housing authorities, and tribal entities, enabling construction of affordable housing and community facilities for Washington’s underserved and low-income residents.

How our lending program works





Why we do what we do

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

Our lending program is a catalyst for investment

We provide early, flexible loan capital to help create affordable housing and community facilities that serve families, students, businesses, and workers in communities across Washington State.

SAFE, AFFORDABLE HOUSING FOR HEALTHY FAMILIES AND VIBRANT NEIGHBORHOODS



MT. BAKER HOUSING ASSOCIATION

BREATHING LIFE INTO PROBLEM PROPERTIES

With the help of predevelopment and rehabilitation loans from Impact Capital, Mt. Baker Housing Association is transforming three formerly rundown southeast Seattle apartment buildings. When finished, the existing residents will have a quality, affordable place to live coupled with resident services to connect tenants to community resources.



GENESIS HOUSING SERVICES, AN AFFILIATE OF CATHOLIC HOUSING SERVICES

HOUSING FARMWORKERS IN WASHINGTON'S BREADBASKET

In 2013 Impact Capital provided a loan to Genesis Housing Services to acquire a site in Royal City, a diverse, multicultural farming community of 2,000 people where more than half the residents live in poverty, and more than 90 families are waitlisted for affordable housing. When construction is complete, this site will provide low-income families with water- and energy-efficient townhomes in a service-enriched community, providing stability and opportunity to families in the Royal Slope area.



We can strengthen Washington's agricultural industry with quality homes for farmworkers

"Thanks to nonprofit lenders like Impact Capital, we'll create much-needed quality homes for 50 farmworkers and their families in Royal City, addressing a critical need while strengthening Washington's \$9.89 billion agricultural community."

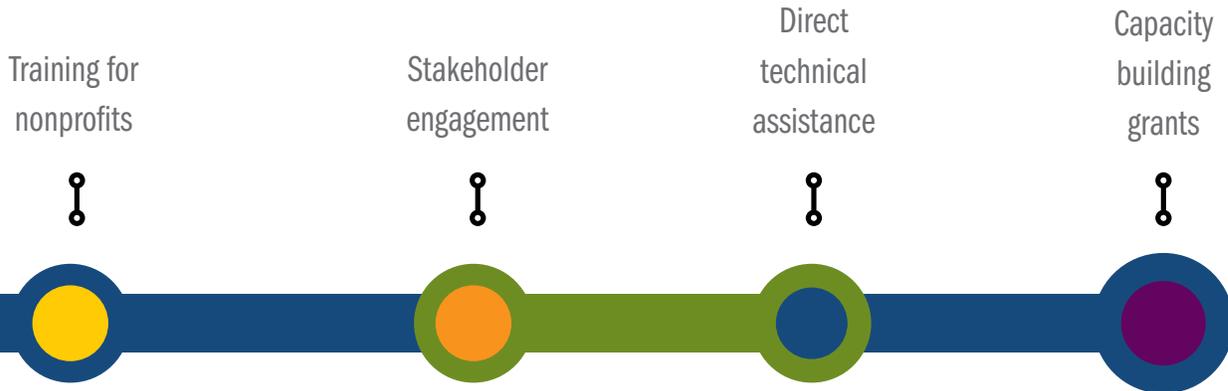
– Bryan Ketcham, Director of Catholic Charities Housing Services

BUILDING CAPACITY TO STRENGTHEN COMMUNITIES

To help communities increase their capacity to revitalize neighborhoods and commercial corridors, we connect community builders with essential resources and education.

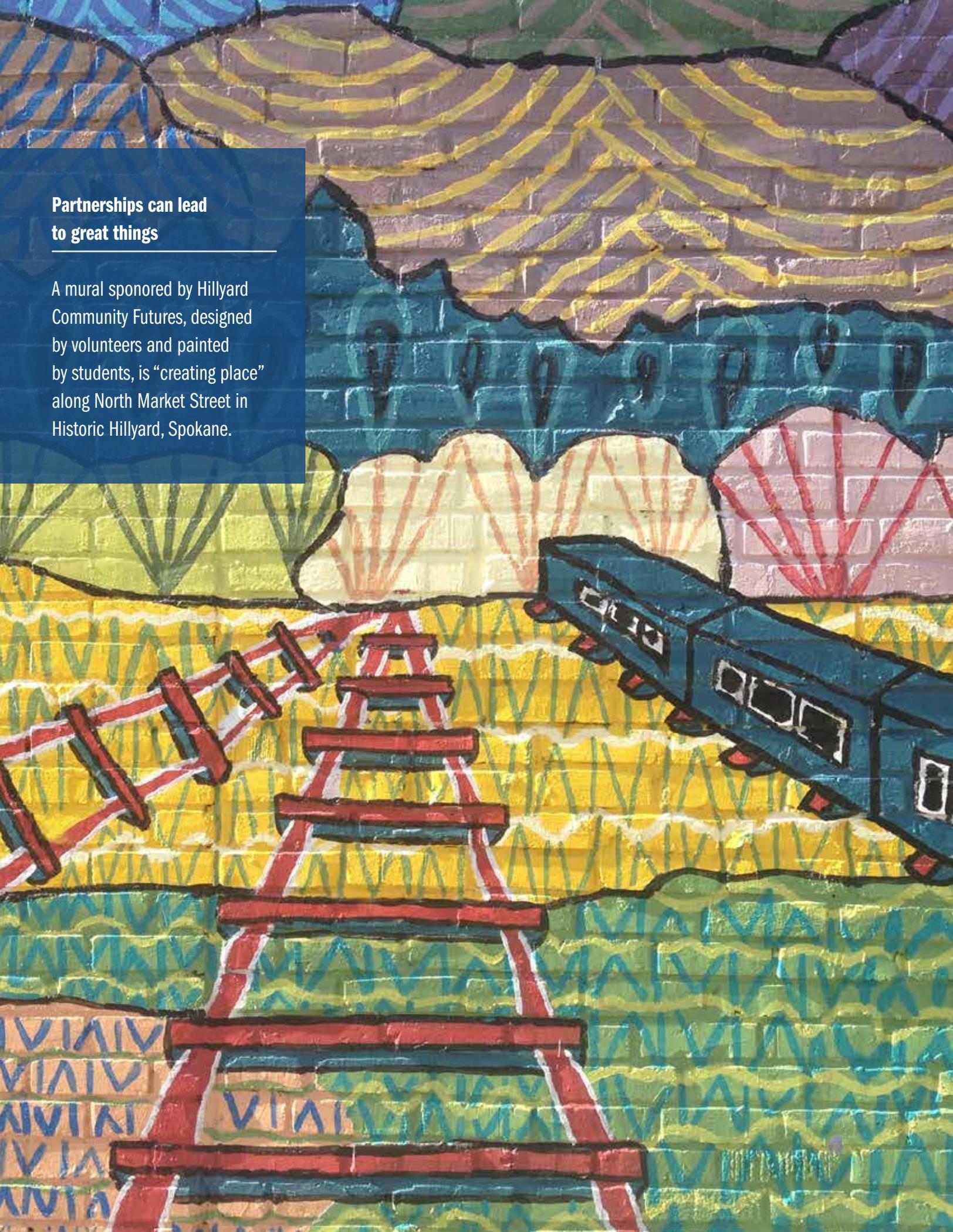


How our community building program works



**Partnerships can lead
to great things**

A mural sponsored by Hillyard Community Futures, designed by volunteers and painted by students, is “creating place” along North Market Street in Historic Hillyard, Spokane.



WE LEVERAGE INCREMENTAL SUCCESSSES TO PROMOTE ONGOING COMMUNITY INVESTMENT



EAST UNIVERSITY DISTRICT, SPOKANE

A LONG-TERM COMMITMENT TO BUILDING VIBRANT COMMUNITIES

Since 2009, Impact Capital has partnered with nonprofits, government agencies, and business associations to revitalize Spokane's East University District, an area plagued by disinvestment since Interstate 90 bisected the neighborhood in the 1960s. During a five year period we granted more than \$165,000, supported a traffic calming project along the neighborhood's main corridor, helped recruit and sustain new retail businesses, and financed Sprague Union Terrace, the first significant affordable housing project since the freeway was built.



PUGET SOUND EQUITY NETWORK, SEATTLE

SUPPORTING EQUITABLE COMMUNITIES

Impact Capital served as the host agency for the Puget Sound Regional Council-sponsored Equity Network, which helped community members advocate for equitable development along Puget Sound transit corridors. Since 2011, the Equity Network invested \$450,000 in community organizations in King, Pierce, and Snohomish counties. In 2013 Network members mobilized community leaders to organize and host the first ever Equity Summit. This event brought together dozens of organizations and over 400 philanthropists, policymakers, community organizers and leaders willing to share their efforts to promote equity-building around the Puget Sound region.

Spokane announces plans to invest \$4-\$5 million for housing and infrastructure

“New development along East Sprague such as the Sprague-Union Terrace [...] demonstrates the forward momentum of this live-work neighborhood. Organizations such as Impact Capital, East Central Community Organization, East Spokane Business Association, the East Central Neighborhood Council, SNAP, and the Spokane Regional Health District have worked with the City of Spokane to build the capacity of this area, and will be key partners in continuing to implement reinvestment strategies.”

-- Amber Waldref, Spokane Councilwoman





Our community building program brings everyone to the table

We work side by side to convene community and neighborhood groups, and provide technical assistance and funding to help people create equitable, sustainable communities.

TO OUR PARTNERS

We applaud the Impact Capital family of supporters who make everything possible. We are proud to list our friends, partners, donors and colleagues with whom we worked in 2013. Each and every one of you helps us build vibrant communities.

THANK YOU

INVESTORS

1st Security Bank of Washington
 Annie E. Casey Foundation
 Bank of America Community Development Corporation
 Banner Bank
 Boeing Employees' Credit Union (BECU)
 City of Seattle, Office of Housing
 City of Spokane, Community Development
 City of Tacoma
 Columbia State Bank
 Craft3
 Key Community Development Corporation
 King County Housing and Community Development
 Snohomish County
 The Erich & Hannah Sachs Foundation
 The Northern Trust Company
 U.S. Bancorp Community Development Corporation
 State of Washington Department of Commerce
 Washington State Housing Finance Commission
 Wells Fargo Community Development Corporation

CORPORATE AND FOUNDATION DONORS

Bank of America Charitable Foundation
 Banner Bank
 Columbia State Bank
 JPMorgan Chase Foundation
 KeyBank Foundation
 Local Initiatives Support Corporation
 Olympia Federal Savings
 The Seattle Foundation
 U.S. Bank
 U.S. Bank Foundation
 Washington Community Reinvestment Association
 Watson & McDonell, PLLC
 Wells Fargo



INDIVIDUAL SUPPORTERS

Susan Duren
 Kim Etherton
 Saeed Hajarizadeh
 Bryan Ketcham
 Janet Laskey
 Ann Melone
 Chris Persons
 Doug and Cathy Prince
 Randy Robinson
 Christine Rush
 Guillermo Sandoval
 Jill Summit
 Kathi 'George' Wheeler
 Maiko Winkler-Chin

BORROWERS

Capitol Hill Housing
 The Jefferson, Seattle

**Catholic Charities Housing Services
 of Western Washington**
 Cornwall Housing, Bellingham

Community House Mental Health Agency
 Caroline W. Apartments, Seattle

Compass Housing Alliance
 Compass on Linden, Shoreline

**Genesis Housing Services, an Affiliate of
 Catholic Charities Housing Services**
 Royal City Family Housing, Royal City

Hill-Ray Plaza
 Hill-Ray Plaza, Colfax

Housing Authority of the City of Longview
 Lilac Place, Woodland

Housing Hope
 Twin Lakes Landing, Marysville

Imagine Housing
 S-20 Snoqualmie Ridge, Snoqualmie

Island County Housing Authority
 Sunny View Village, Freeland

Kennewick Housing Authority
 Volland Street Apartments, Kennewick

Mt. Baker Housing Association
 Valley Commons, Thirty-Ninth Avenue Flats,
 and Beach Court Apartments, Seattle

PROVAIL
 PROVAIL Traumatic Brain Injury Residential
 Facility, Shoreline

Spokane Baptist Association Homes
 Lilac Plaza, Spokane

Yakima Housing Authority
 Yakima Family Housing, Yakima

GRANTEES

African Diaspora of Washington
c/o East African Community Services
 Equity Network Community Outreach Grant,
 South Seattle and South King County

Alliance for Pioneer Square
 LISC HUD Section 4 Capacity Building Grant, Seattle

Beacon Hill Merchants Association
 Only in Seattle Capacity Building Grant, Seattle

Capitol Hill Champion
c/o Capitol Hill Chamber of Commerce
 Equity Network Capacity Building Grant, Seattle

Capitol Hill Housing
 LISC HUD Section 4 Capacity Building Grant, Seattle

Community Network Council
c/o Glory House Fellowship Church
 Equity Network Community Outreach Grant, Kent

Eastside Community Network
 Equity Network Community Outreach Grant,
 East and South King County

Eastside Equity Summit
c/o Forterra
 Equity Network Community Outreach Grant,
 East King County

El Centro de la Raza
 Equity Network Capacity Building Grant, South King
 County

Got Green
**c/o White Center Community
 Development Association**
 Equity Network Capacity Building Grant, Seattle

Kent East Hill Revitalization
c/o YMCA of Greater Seattle
 Equity Network Community Outreach Grant, Kent

Latino Community Fund
 Equity Network Community Outreach Grant,
 King, Pierce, and Snohomish Counties

Leadership Eastside
 Equity Network Capacity Building Grant, East King
 County

Mother Africa
 Equity Network Community Outreach Grant,
 Kent, Tukwila and SeaTac

Open Doors for Multicultural Families
 Equity Network Community Outreach Grant, South
 King County

Para Los Niños
 Equity Network Community Outreach Grant, King,
 Pierce and Snohomish Counties

**Rainier Beach Community
 Empowerment Coalition**
c/o Rainier Beach Moving Forward
 Equity Network Community Outreach Grant, Seattle

**Seattle Chinatown International District
 Preservation and Development Authority
 (SCIDpda)**
 Equity Network Capacity Building Grant, Seattle

Solutions for Humanity, Community and the Environment

Equity Network Capacity Building Grant and Equity Network Community Outreach Grant - Tacoma/Pierce County

Somali Youth & Family Club

Equity Network Community Outreach Grant, South King County

South Community Organizing for Racial/Regional Equity**c/o Puget Sound Sage**

Equity Network Community Outreach Grant, South Seattle and South King County

South Park Neighborhood Association

Only in Seattle Capacity Building Grant, Seattle

Southeast Seattle Education Coalition**c/o Vietnamese Friendship Association**

Equity Network Community Outreach Grant, Seattle

Tacoma Pierce County Affordable Housing Consortium

Equity Network Community Outreach Grant, Tacoma/Pierce County

Tacoma Urban League

Equity Network Community Outreach Grant, Tacoma/Pierce County

Tenants Union

Equity Network Community Outreach Grant, King, Pierce, and Snohomish Counties

Together Center

Equity Network Community Outreach Grant, East King County

White Center Community**Development Association**

LISC HUD Section 4 Capacity Building Grant, White Center

TECHNICAL ASSISTANCE RECIPIENTS**East Spokane Business Association**

Spokane

Greater Hillyard Business Association

Spokane

Housing Development Consortium, Asset and Property Management Affinity Group

King County

IMPACT CAPITAL FINANCIAL OVERVIEW

STATEMENT OF FINANCIAL POSITION

(12/31/2013)

ASSETS	
Cash & Investments	\$11,323,273
Loans Receivable	\$10,515,323
Accounts Receivable & Other Assets	\$472,803
Total Assets	\$22,311,399
LIABILITIES & NET ASSETS	
Accounts & Other Payables	\$151,966
Loans Payable	\$18,750,000
Total Liabilities	\$18,901,966
Net Assets	\$3,409,433
Total Liabilities & Net Assets	\$22,311,399

STATEMENT OF ACTIVITIES

	Unrestricted	Temporarily Restricted	Total
Revenues	\$1,827,772	\$91,478	\$1,919,250
Net Assets Released from Restriction	(\$112,990)	\$112,990	\$0
Total Revenue	\$1,714,782	\$204,468	\$1,919,250
Total Expense	\$1,199,923	\$0	\$1,199,923
Change in Net Assets	\$514,859	\$204,468	\$719,327
Net Assets Beginning of the Year	\$977,389	\$1,712,717	\$2,690,106
Net Assets 12/31/13	\$1,492,248	\$1,917,185	\$3,409,433

STAFF

Judith Olsen, *Executive Director*

Julie Alexander, *Associate Program Officer, Lending*

Seth Benziger, *Program Officer, Lending*

Dey Brown, *Senior Accountant*

McCaela Daffern, *Senior Program Officer, Community Programs and Development*

Heidi Hall, *Equity Network Manager*

Ingrid Martin, *Senior Finance Officer*

Chris Moxon, *Senior Program Officer, Lending*

Melissa Owen, *Program Officer, Community Programs*

Elizabeth Padilla, *Assistant Program Officer, Compliance*

Jill Summit, *Contract CPA*

BOARD OF DIRECTORS

Kim Herman, *Chair, Washington State Housing Finance Commission*

Randy Robinson, *Board Vice Chair & Immediate Past Chair, KeyBank*

Susan Duren, *Board Treasurer, Washington Community Reinvestment Association*

Guillermo Sandoval, *Secretary, Banner Bank*

Judith Olsen, *Executive Director*

Michael Brown, *The Seattle Foundation*

Mariano Diaz, *Local Initiatives Support Corporation*

Kim E. Etherton, *U.S. Bank*

Saeed Hajarizadeh, *Vancouver Housing Authority*

Rick Hooper, *Office of Housing, City of Seattle*

Bryan Ketcham, *Catholic Charities Housing Services*

Lowel Krueger, *Yakima Housing Authority*

Jan Laskey, *Bank of America*

Chris Persons, *Capitol Hill Housing*

Doug Prince, *Foster Pepper PLLC*

Christine Roveda Rush, *Wells Fargo Bank*

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

LOAN AND INVESTMENT COMMITTEE

Ann Melone, *Chair, U.S. Bank*

Gary Carlson, *Seattle Bank*

Susan Duren, *Washington Community Reinvestment Association*

Martin Hughes, *Bank of America*

Cheryl Markham, *King County, Office of Housing and Community Development*

Cathy Morton, *City of Tacoma*

Laurie Olson, *City of Seattle, Office of Housing*

Richard Penton, *State of Washington, Community, Trade and Economic Development*

Bob Peterson, *Washington State Housing Finance Commission*

Dinah Thoreson, *KeyBank*

Paul Trautman, *City of Spokane*

Chuck Weinstock, *JPMorgan Chase*

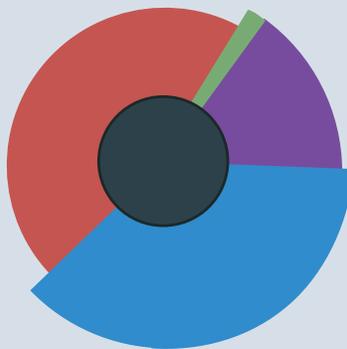
FINANCIAL OVERVIEW
(12/31/2013)

REVENUE

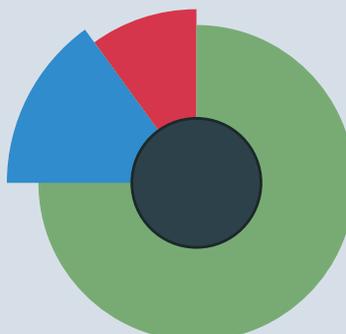
Program Contracts	\$645,470
Program Interest & Fees	\$913,939
Investment Earnings	\$27,912
Contributed Income	\$331,929
Total	\$1,919,250

EXPENSE

Management & General	\$217,403
Fundraising	\$119,316
Lending & Community Building	\$863,204
Total Expenses	\$1,199,923
Operating Overhead	28.06%



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

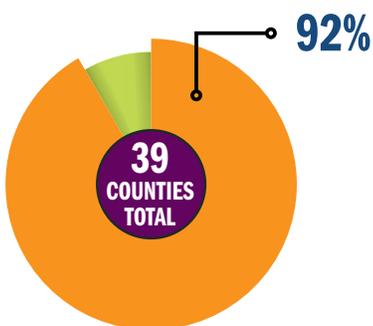


- Management & General
- Fundraising
- Lending & Community Building

Measuring Our Impact

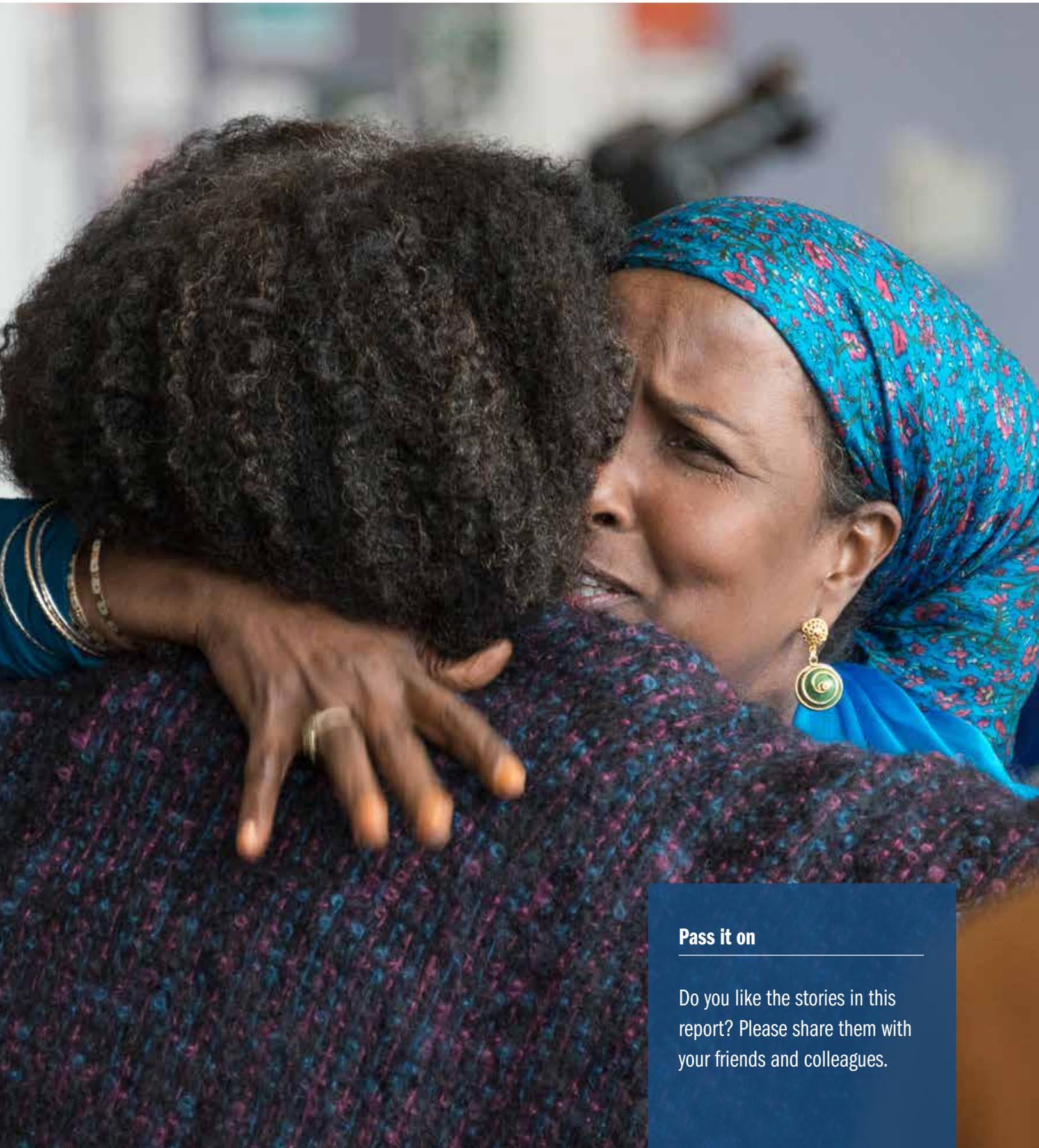
We've invested \$135 million in projects throughout Washington and leveraged more than \$3.4 billion in development, bringing \$24 to Washington communities for every \$1 invested by Impact Capital.

Washington State % of counties worked in



Since 2000, Impact Capital has worked in partnership with Washington's nonprofit organizations to create:

- 23,000 affordable homes
- 14 childcare facilities
- 14 community centers
- 2 job training facilities
- 7 arts and cultural facilities
- 1.1 million square feet of retail and industrial space



Pass it on

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



SEATTLE

401 Second Avenue South, Suite 301
Seattle, WA 98104
206-587-3200 or 800-336-0679
206-587-3230 (Fax)

SPOKANE

315 West Mission Avenue, Suite 25B
Spokane WA 99201
509-456-8088

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An affiliate of

LISC
*Helping neighbors
build communities*