



2018 ANNUAL REPORT

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

LOANS CLOSED

\$14,931,867

AFFORDABLE HOUSING
RENTAL UNITS CREATED
OR PRESERVED

1,117

AFFORDABLE HOUSING
OWNERSHIP UNITS
CREATED OR PRESERVED

16

COMMUNITY SERVICES
DEVELOPED

83,113 sq ft.



OUR 2018
IMPACTS

Community Partners, Investors, and Colleagues,

2018 was a year of significant change at Impact Capital. We saw the retirement of a valuable leader and colleague, along with the arrival of new leadership and vision. We have welcomed new members to our staff and board of directors, as well as bid farewell to some valued members. With all of the change that Impact Capital has experienced in 2018, one thing remains steadfast; Impact Capital's commitment to providing patient financing for the development of affordable housing and other community development initiatives.

Lending activity in 2018 at Impact Capital was robust, and future pipeline transaction volume bodes well for a productive 2019. While we have experienced a slight decline in YoY funding volume, we have been thrilled to see a near doubling of aggregate dollar funding volume within our CDLF Phase I loan pool in 2018. Along with the increase in CDLF funding has come a significant and welcomed increase of loans transitioning from our CDLF Phase I to our CIF Phase II loan pools.

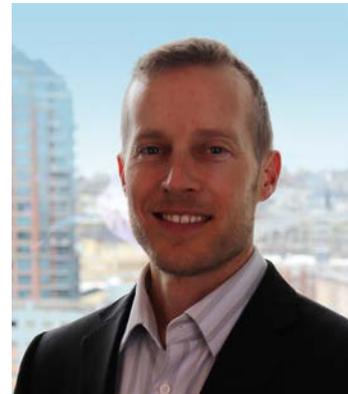
2019 will be a year of continued evolution and growth at Impact Capital. We look forward to feedback from our partners, investors and colleagues as to how Impact Capital may expand its capabilities to address the ever-present demand. We encourage you to contact Impact Capital to discuss new opportunities and obstacles identified within your organizations and industries, as well as how we at Impact Capital may contribute to the success of your initiatives. We greatly appreciate any contributions made to Impact Capital which help to facilitate our work.

Thank you to all of our industry partners, investors and colleagues who help Impact Capital fund a promising future for our communities.

Sincerely,

Saeed Hajarizadeh, Board Chair

Joel Millar, President



2018

COMMUNITY LENDING FOR NONPROFITS

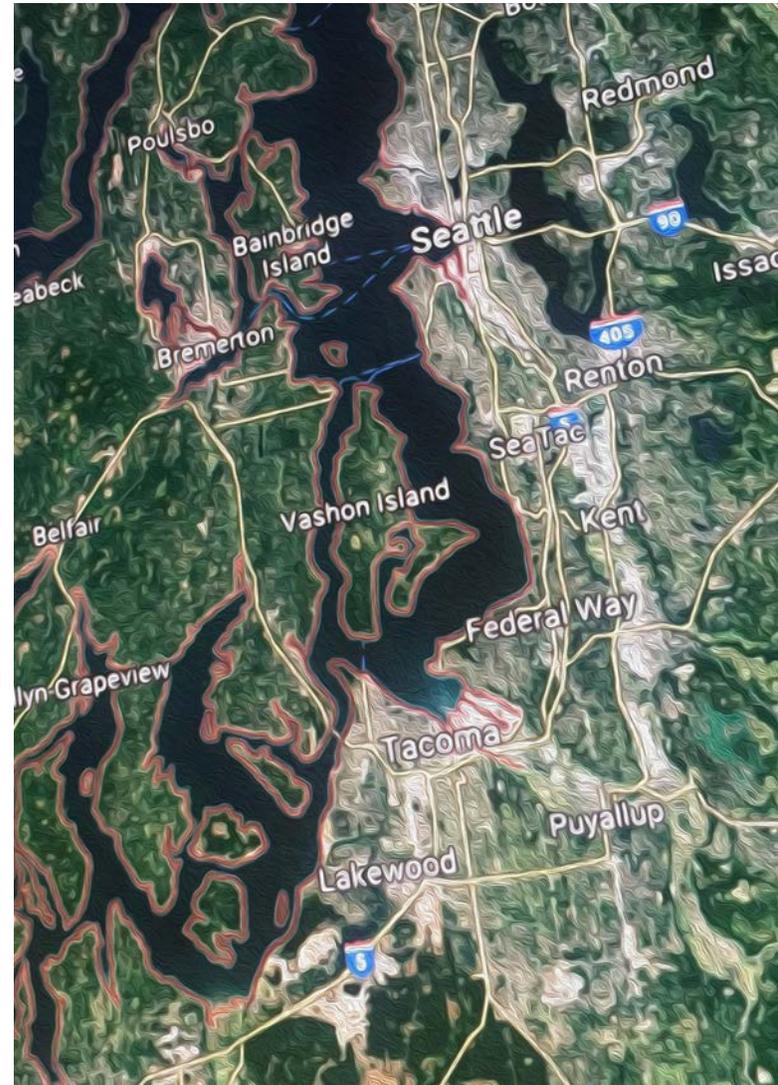
Capital for new projects can be scarce for nonprofits, housing authorities, and tribal entities. We offer essential early-stage financing which jumpstarts development and attracts more financing.

New Loans Per County in 2018

King: 13	Pierce: 1	Whitman: 1
Kittitas: 2	Snohomish: 2	Yakima: 2
Lewis: 1	Thurston: 1	
Pacific: 1	Walla Walla: 2	

Total Loans Per County

Adams: 5	Jefferson: 3	Skagit: 14
Asotin: 1	King: 339	Skamania: 4
Benton: 9	Kitsap: 7	Snohomish: 44
Chelan: 14	Kittitas: 5	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: 19
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

CATHOLIC HOUSING SERVICES OF WESTERN WASHINGTON

Kent Permanent Supportive Housing

Catholic Housing Services of Western Washington (CHSWW) is helping to expand permanent supportive housing and services in Kent, WA's West Hill neighborhood with the help of a \$1.12 million acquisition loan from Impact Capital. Located at the northeast corner of South 240th Street and 32nd Avenue South, the planned development will provide 80 units of permanent supportive housing for individuals who are experiencing homelessness. There will be 36 units set aside for veterans and 44 units for individuals with chronic mental illness, disabilities, and/or individuals with substance abuse issues.

Resident services will be provided by Catholic Community Services and there will be a case manager and resident counselor on site. Notably, the site is in close proximity to grocery and retail stores, and has access to public transportation, including a forthcoming light rail station which will help provide additional access to services.



“Impact Capital is a great partner to work with! The ability to access pre-development funding is invaluable. Without the resources Impact Capital provides, it would be much more difficult to bring much needed housing developments, like this permanent supportive housing project, into fruition”

Michelle Umadhay, Senior Housing Developer, Catholic Housing Services of Western Washington

COMMUNITY PSYCHIATRIC CLINIC

New Harbor House

Community Psychiatric Clinic's New Harbor House will create 100 units of affordable permanent and supportive housing for individuals experiencing homelessness or housing instability. The property will include a behavioral health center providing clinical and behavioral health services, which has been helped in-part by a \$1.01 million Impact Capital predevelopment loan. Located in Shoreline, WA, at the intersection of North 198 Street and Aurora Avenue, and on the site of a former used car business, Community Psychiatric Center was selected to develop the property and awarded site control by the City of Shoreline.

Community Psychiatric Clinic will have staff on-site 24 hours per day and 7 days a week to quickly respond to residents' needs. Additionally, the services provided in the behavioral health center will be open to the public and will expand the healthcare network in Shoreline, given that mental health services are an unmet need in that community. An additional feature of the project is the anticipated usage of modular housing construction methods.



“Impact Capital has been an important partner in our project. Everyone on the Impact Capital team has been so responsive and helped us all the way through the loan process. They were thorough but incredibly efficient in processing our loan!”

Kris Breton, *Chief Financial Officer, Community Psychiatric Clinic*

IMAGINE HOUSING

Block 6B at Esterra Park

In Redmond, WA, Imagine Housing is developing a new mixed-use and mixed-income transit-oriented development. Block 6B is part of the larger Esterra Park Master Plan, located next door to Microsoft and the future Overlake Village Light Rail Station. With the help of a \$1.10 million predevelopment loan from Impact Capital, the planned community will offer 260 units, with 130 affordable units, and an 11,000 square foot childcare center.

Additionally, the community will offer continuous support services for 36 residents who have exited homelessness and 20 residents with disabilities. There will be 24 units for households earning up to 30% AMI, 12 units for households earning up to 40% AMI, 21 units for households earning up to 50% AMI, and 73 units for households earning up to 60% AMI.



“Impact Capital has been an outstanding partner for Imagine Housing for many years. Their patience and flexibility was instrumental in moving our most recent project forward.”

Villette Nolon, Chief Executive Officer, Imagine Housing

SCIDpda

Pacific Hospital Towers

Impact Capital partnered with Seattle Chinatown International District Preservation Development Authority (“SCIDpda”), to help facilitate their development of the Pacific Hospital Tower Steps. The project will create a mixed-use development consisting of two separate buildings on underutilized public land to serve the most pressing needs of the surrounding communities in Seattle’s Beacon Hill and the Chinatown International District neighborhoods.

The Pacific Hospital Tower Steps will provide approximately 260 units of affordable workforce housing that will serve families with household incomes between 60% - 80% AMI as well as senior and childcare facilities for residents. Approximately 24,000 square feet will be developed into a Program for All-inclusive Care for the Elderly (PACE), operated jointly by International Community Health Services and Kin On Health Care Center in order to provide comprehensive medical and social services for seniors. An additional 10,000 square feet will be developed into an Early Learning Childcare facility operated by El Centro de la Raza, which will provide a multicultural curriculum to help children of the surrounding communities.



“The Seattle Chinatown International District Preservation and Development Authority (SCIDpda) is proud to partner with such a strong collection of community-based organizations, including lenders like Impact Capital. Without a source of financing made available for predevelopment expenses, this project would simply not advance beyond a dream for the community.”

Maiko Winkler-Chen, *Executive Director, SCIDpda*

TRANSITIONAL RESOURCES

Yancy Street Permanent Supportive Housing

Impact Capital provided Transitional Resources with a \$2.38 million acquisition loan for the development of Yancy Street Permanent Supportive Housing, a 44-unit permanent supportive housing complex for individuals with serious and persistent mental illnesses in West Seattle.

This project will create pathways to recovery for some of King County's most vulnerable community members. Residents will be allowed to transition into a supportive community from homelessness, hospitals, or other treatment settings. Each resident will be provided with a private apartment as well as a shared community room and outdoor amenity space. Supportive housing staff will be available on-site 24 hours per day. Residents will be able to engage in comprehensive behavioral health services provided at our nearby behavioral health offices, and additionally, to be part of a great neighborhood with excellent access to public transportation and a supportive community. This project is making it possible for more of King County's residents to attain a safe, stable place from homelessness, a psychiatric hospital or residential treatment facility.



“When we were presented with an unexpected opportunity to purchase several properties we had been renting for years and to develop them into permanent supportive housing, Impact Capital immediately came to mind as the partner to help make this happen. This is our second project with Impact Capital and no one understands the needs of the non-profit sector better! Their experience and expertise helped us navigate the complicated process with confidence.”

Darcell Slovek-Walker, *Chief Executive Officer, Transitional Resources*

Bellwether

Greenwood B&G Club, *Seattle*

Blue Mountain Action Council

Community Service Center, *Walla Walla*

Catholic Housing Services of W. WA

Kent Acquisition, *Kent*

Community Psychiatric Clinic

New Harbor House, *Seattle*

Compass Housing Alliance

Columbia City, *Seattle*

Family Support Center

Family Support Center, *Olympia*

First AME Housing Association

Bryant Manor Apts, *Seattle*

Homestead CLT

Yakima Ave, *Seattle*

Housing Authority of Kittitas County

Alder Terrace, *Ellensburg*

RAD Conversion, *Ellensburg*

Housing Hope

Possession Sound, *Marysville, Stanwood, Everett*

Human Response Network

HRN Crisis/Emergency Shelter, *Chehalis*

Imagine Housing

Esterra Park Block 6B, *Redmond*

Joint Pacific County HA

Willapa Center, *Raymond*



Mount Baker Housing Association

MBHA LOC, *Seattle*

SCIDpda

Pacific Hospital Towers, *Seattle*

Skyway Solutions

Skyway Redevelopment, *Renton*

Transitional Resources

Yancy St Acq, *Seattle*

Whitman CAC

Riverview Housing, *Pullman*

Yakima Housing Authority

Veterans Service Center, *Yakima*

YWCA of Pierce County

YWCA Pierce County, *Tacoma*

2018
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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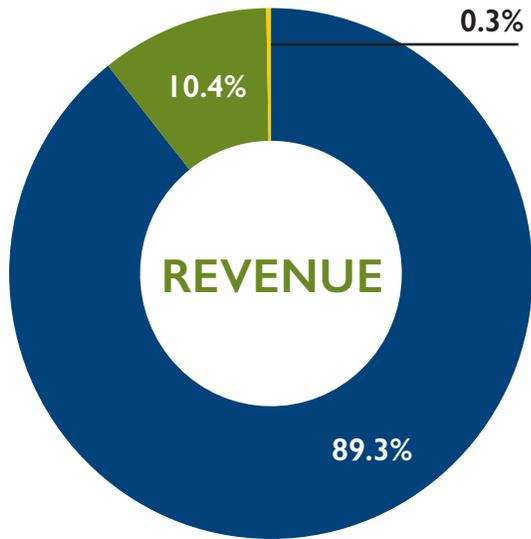
Steve Walker

Director | Office of Housing, City of Seattle

2018 BOARD OF DIRECTORS

REVENUE

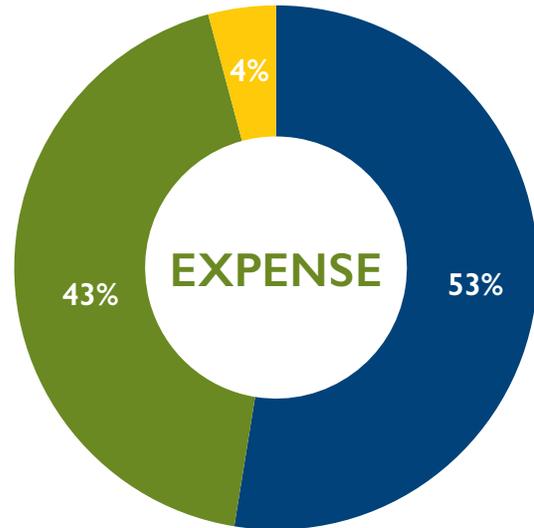
Program Interest & Fees	\$1,100,038
Contributed Income	\$128,092
Other Income	\$3,531
Total Revenue	\$1,231,661



- Program Interest & Fees
- Contributed Income
- Other Income

EXPENSE

Lending	\$520,807
Management & General	\$428,890
Fundraising	\$41,380
Total Expense	\$991,077



- Lending
- Management & General
- Fundraising

2018

STATEMENT OF FINANCIAL POSITION

ASSETS		LIABILITIES & NET ASSETS	
Cash & Investments	\$1,412,690	Accounts Payable	\$134,605
Loans Receivable	\$5,885,206	Loans Payable	\$14,030,000
Accounts Receivable & Other Assets	\$11,253,951	Net Assets	\$4,387,242
Total Assets	\$18,551,847	Total Liabilities & Net Assets	\$18,551,847

STATEMENT OF ACTIVITIES

	Unrestricted	Donor Restrictions	Total
Revenues	\$1,173,722	\$57,939	\$1,231,661
Net Assets Released from Restrictions	\$184,774	\$(184,774)	-
Total Revenues	\$1,358,496	\$(126,835)	\$1,231,661
Expenses	\$991,077	-	\$991,077
Change in Net Assets	\$367,419	\$(126,835)	\$240,584
Net Assets Beginning of Year	\$686,638	\$3,460,020	\$4,146,658
Total Liabilities & Net Assets	\$1,054,057	\$3,333,185	\$4,387,242

FINANCIAL OVERVIEW

TOGETHER WE CAN MAKE A LASTING IMPACT



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