



# 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

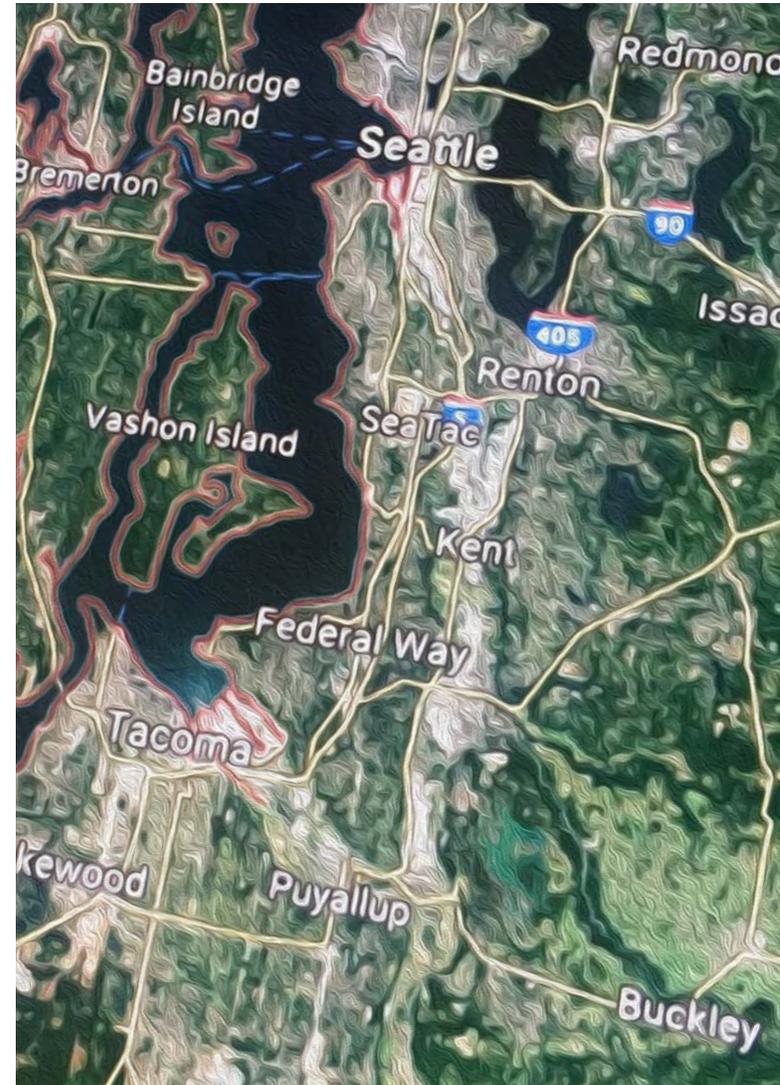
Capital for new projects can be scarce for nonprofits, housing authorities, and tribal entities. We offer essential early-stage financing which jumpstarts development and attracts more financing.

### 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	

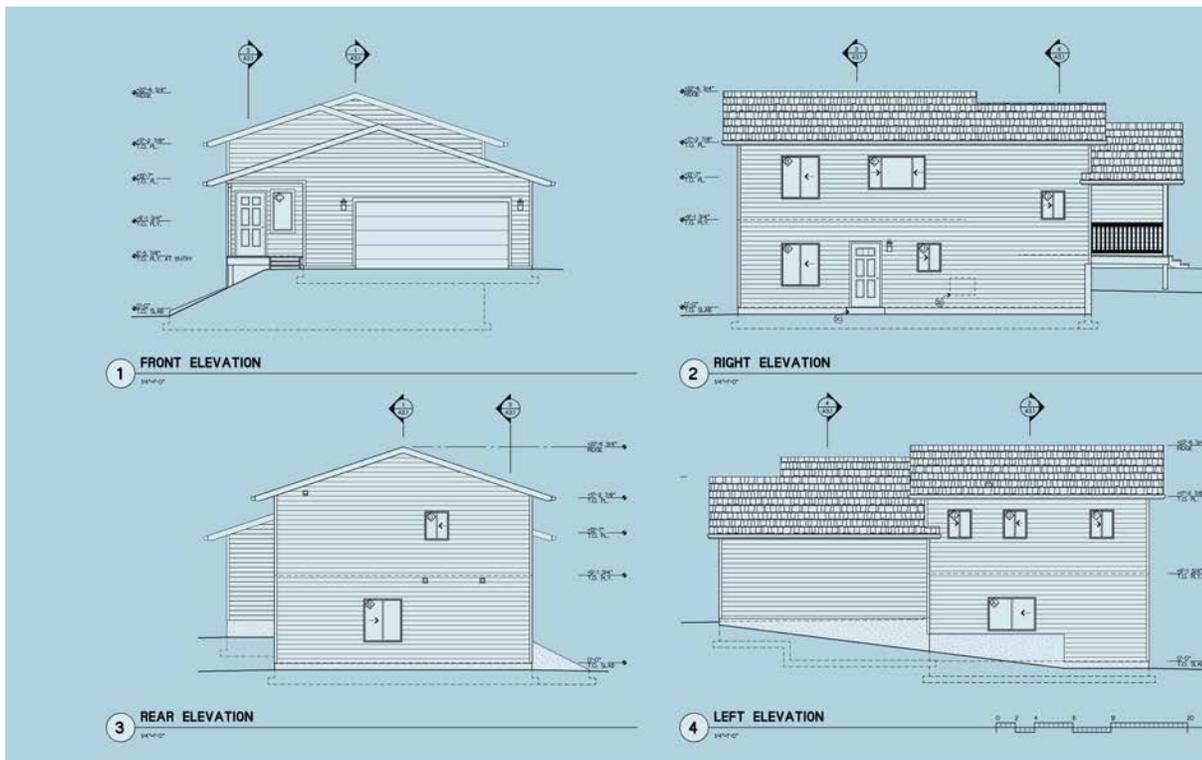


# LOANS PER COUNTY

# 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.

### Investors

Ist Security  
Banner Bank  
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CDFI Fund  
City of Seattle Office of Housing  
Heritage Bank  
Key Bank  
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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Amazon Smile  
Bank of Hope  
Banner Bank  
Heritage Bank  
United Way  
Wells Fargo Bank  
Yakima Federal Savings

### Individual Supporters

Douglas R. Prince  
Kim Herman  
Leanne Antonio  
Maureen Fife  
Randy Robinson  
Anonymous Donors

2019  
SUPPORTERS

## Staff

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**Marcel Neff** | *Vice President, Lending*

**Jeff Bailey** | *Loan Officer*

**Rachel Christiansen** | *Administrative Assistant*

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*Shareholder | Buchalter Law Firm*

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*Executive Director | Yakima Housing Authority*

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**David Foreman**

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**Bryan Ketcham**

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**Ann Melone**

*Business Development Officer | U.S. Bancorp Community Development Corporation*

**Randy Robinson**

*Senior Vice President, Community Development Lending | Heritage Bank*

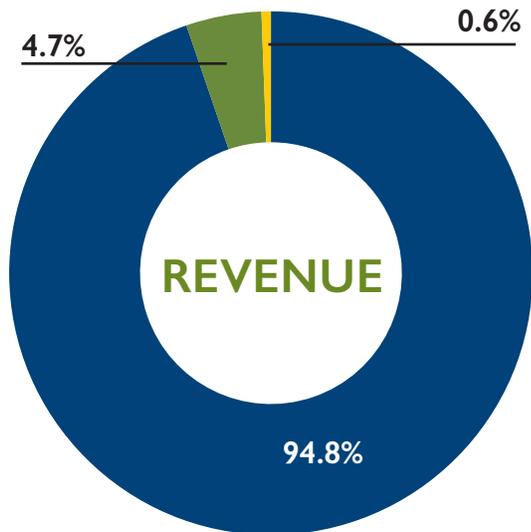
**Steve Walker**

*Director | Office of Housing, City of Seattle*

# 2019 STAFF & BOARD OF DIRECTORS

## REVENUE

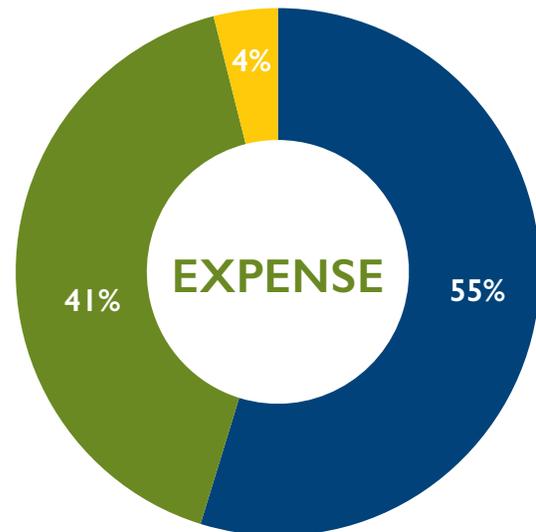
Program Interest & Fees	\$1,063,581
Contributed Income	\$52,277
Other Income	\$6,502
<b>Total Revenue</b>	<b>\$1,122,360</b>



- Program Interest & Fees
- Contributed Income
- Other Income

## EXPENSE

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



- 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
<b>Total Assets</b>	<b>\$19,908,599</b>	<b>Total Liabilities &amp; Net Assets</b>	<b>\$19,908,599</b>

## 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)	-
<b>Total Revenues</b>	<b>\$1,230,799</b>	<b>\$(108,439)</b>	<b>\$1,122,360</b>

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
<b>Total Liabilities &amp; Net Assets</b>	<b>\$1,605,648</b>	<b>\$3,224,746</b>	<b>\$4,830,394</b>

# FINANCIAL OVERVIEW

TOGETHER WE CAN MAKE A LASTING IMPACT



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[impactcapital.org](http://impactcapital.org)

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