



**Impact
Development
Fund**



Annual Report

2020

Our Mission

Impact Development Fund creates economic opportunity by delivering flexible capital to strengthen under-served Colorado communities.



DEAR FRIENDS AND SUPPORTERS

The year 2020 was unlike any other. Impact Development Fund (IDF) navigated through the unfolding COVID-19 crisis, prioritizing staff safety while committing ourselves more than ever to serving our partners and communities through days, weeks and months of persistent uncertainty. Despite these unprecedented challenges, IDF achieved a high volume of community-impact lending as well as new program development and execution. The organization concluded 2020 with its highest loan portfolio balance to date.

During the year, \$20.6 million in new loans were approved, 18 loans were closed for \$15.8 million and the ending portfolio balance was comprised of \$35.4 million in outstanding and committed loan assets. IDF's impact in Colorado communities included development and/or preservation of 1,180 units of affordable housing. Seventy-seven percent of these units serve residents with under 60% of the area median income. Additionally, IDF's financing supported 19,400 square feet of nonprofit space, including development of a new temporary housing shelter for women and children.

IDF successfully deployed over \$2.6 million in commercial loans using Capital Magnet Fund (CMF) equity grant funds received from the CDFI Fund in 2019. This capital provides

long-term, low-interest, highly flexible funding to crucial affordable housing projects throughout the state including hard to serve, distressed and rural areas.

Growth of IDF's homeownership programs administered on behalf of third parties throughout Colorado continued to be very strong in 2020 with 201 down payment and rehabilitation assistance loans for a total of \$9.7 million. The organization currently manages 45 programs throughout the state including municipalities, employers and Habitat for Humanity affiliates.

IDF wishes to express its sincere gratitude to board members Nate Clyncke and Elena Wilken whose board service concluded at the end of 2020. Nate and Elena served the organization with distinction and selflessness. Their commitment, leadership and contributions to the organization were substantial and they will be missed.

Sincerely,

Scott Horton
Scott Horton
President

Sean Doherty
Sean Doherty
Executive Director



Consumer Direct Financing

Dollar Amount Deployed:
\$9,713,417

Dollar Amount Leveraged:
\$68,999,343

201
Loans



Commercial Financing

15
Housing Loans

1,180
Housing Units

Housing Dollars Deployed:
\$13,291,950

Housing Dollars Leveraged:
\$262,884,805

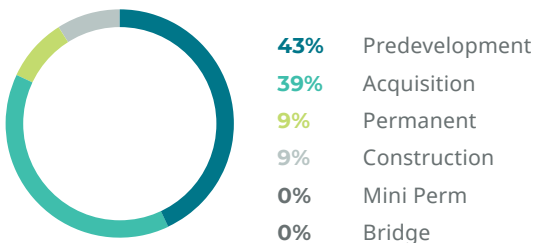
Non-Profit Facility Financing

Facility Square Footage Created:
19,400 ft²

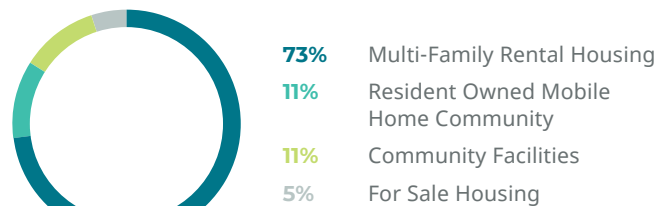
Facility Dollars Deployed:
\$1,850,000

Facility Dollars Leveraged:
\$9,227,698

BY LOAN TYPE

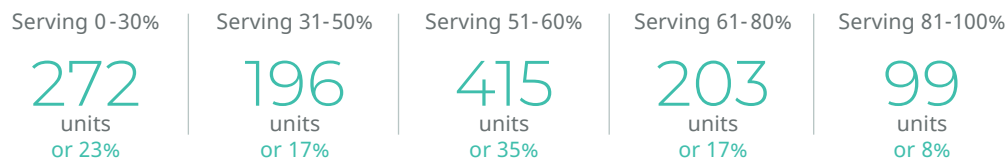


BY LOAN USE



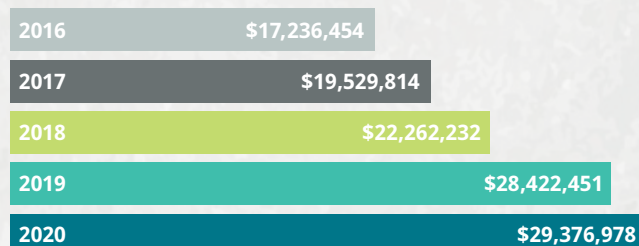
COMMERCIAL LOAN UNIT MIX

Total Affordable Units of Total Affordable Units Financed:

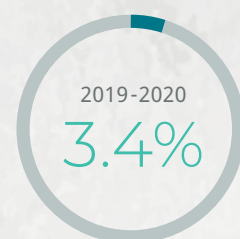


Portfolio

Loan Portfolio Outstanding



Portfolio Growth Year Over Year



“On the lookout in 2021...”

Impact Development Fund is delighted to announce the launch of its new Single Family Acquisition-Rehab Program (SFAR). As a direct outcome of community and partnership engagements, IDF has recognized a common shortfall in the current affordable housing marketplace associated with affordable for-sale housing inventory. Key housing agencies have reached out to IDF to identify potential partnership solutions, including a central role for IDF in the acquisition, rehabilitation and resale of affordable units to low-moderate income residents. Initially, the program will be implemented in Larimer and Weld Counties targeting blight and single-family homes in disrepair being sold to the market in “as-is” condition. Under a new entity, Impact Development Builders, LLC (IDB), properties will be acquired, rehabbed and sold at affordable sale prices to low-moderate income households.

Through existing program administration, IDF has seen the challenges of homeowner affordability in the northern Colorado housing market. Current below-market, for-sale housing options are often presented with significant property repair needs making cash-only offers necessary to facilitate the sale. The properties sold in poor condition, limits this segment of housing inventory to investors and cash buyers often for the purpose of fix and flip into the market at a sizable gain or held and leased at the top-end of the rental market post-rehab. This activity further excludes first-time homebuyers and low-moderate income applicants in search of safe, habitable and affordable housing solutions.

In the wake of the COVID-19 pandemic, IDF has allocated approximately \$1.0M in unrestricted enterprise capital to support Impact Development Builders and its SFAR program. IDB will utilize available grant funds and energy rebates to offset increased construction and rehabilitation costs and to improve energy efficiency and utility affordability for the homeowner.

IDB is excited to create new affordable housing stock through the rehabilitation of existing market homes!



**Impact
Development
Builders**



Capital Magnet Fund deployed for permanent supportive housing

Charity's House is a 36-unit supportive housing project in Denver that entails the demolition of two existing single-family properties located in the Five Points Neighborhood owned by the founders of Community Outreach Service Center (COSC), a nonprofit based within the neighborhood that provides various services to low-income households. The project will primarily target individuals and couples transitioning from homelessness and COSC will accommodate individuals exiting the corrections system. Many individuals who failed parole said that finding a place to live was their greatest problem. State and national research indicates the provision of permanent supportive housing, coupled with case management and related services, significantly lowers recidivism. Partnerships with COSC, Mental Health Center of Denver and BeauSimone will expand access to critical services while facilitating a streamlined connection process between service providers and the target population.

IDF is committed to expanding opportunities for individuals trying to break the cycle of homeless, addiction and transition from the corrections system, and has provided \$702,000 in pre-development funds and \$234,000 in permanent financing to the Charity's House project. The existing improvements will be razed to allow for the development of 36 one-bedroom apartments within a five-story structure; floors 2-4 will contain residential units, laundry rooms and sitting areas, while the upper floor will offer residential units, a catering kitchen, dining area, entertainment room, training space and two outdoor decks. The project was awarded an allocation of non-competitive 4% LIHTC from CHFA, the City of Denver has approved issuance of private activity bonds and Denver Housing Authority has approved the allocation of 36 project-based housing vouchers and separate financing for property acquisition under the DHA Delivers for Denver (D3) bond program, with a total of \$12.7M in financing leveraged.



IDF participates in Senior Housing Facility in Longmont

SENIOR HOUSING OPTIONS

Senior Housing Options (SHO) was awarded a \$400,000 pre-development loan by IDF for the creation of a 25-unit independent senior apartment in central Longmont. The property will complement two adjoining assisted living properties previously developed by SHO. Units offered will be a mix of studio and 1-bedroom apartments serving households between 30% and 60% AMI. The project was awarded an allocation of 9% LIHTC for the construction of the third and final phase of a senior residential community known as Cinnamon Park and \$8.2M of financing was leveraged. The development will deliver 25 independent living apartments to complement the two existing assisted living facilities, each providing 24 apartments. Positioned to target households aged 62+, residents will benefit from existing amenities, programming and transportation infrastructure, including 24/7 on-campus staff, weekly transportation for personal services, congregate meals and wellness checks. The facility further partners with the Longmont Senior Center to coordinate recreational, educational, health and wellness, and financial services, social clubs and day trips. Of the five existing LIHTC properties in the Longmont area serving seniors at or below 60% AMI all report 100% occupancy with extensive waitlists. IDF is proud to assist in the creation of more affordable senior housing to help Colorado's aging population.

IDF invests in low-income housing in Rural Colorado

PLAINSVIEW APARTMENTS

IDF is pleased to have supported the acquisition of the Plainsview Apartments, a 45 unit low-income property in Lamar, CO, with a \$1.08M bridge loan. The property sits in a rural and distressed area and the units serve tenants earning 40% to 60% of the area's medium income. The property will undergo rehabilitation with construction financing from Colorado Division of Housing, City of Lamar and Southeast Colorado Economic Development, leveraging an additional \$2.6M. Rehabilitation and upgrades will include exterior stucco repair, interior and exterior painting, new floor coverings, new energy efficient appliance packages and mechanical system improvements. Of the 3,000 households in the community, approximately 37% are renters, over 16% are below the federal poverty level and 38% are ethnic minorities. IDF's financing is helping to preserve affordable housing stock in rural Colorado and proactively renovate units that will provide safe and affordable housing for the community.





RELATIONSHIPS

Community Engagement Spotlight: Giving Back

Impact Development Fund staff continues to deepen our partner relationships through volunteerism and community giving. In 2020, despite COVID limitations, IDF staff engaged in more than 785 hours of giving back to our community and the affordable housing industry through our partnerships with the following organizations:

- Town of Firestone Public Trustee
- CHFA NMTC Advisory Committee
- Leadership Northern Colorado
- Congregation Land Campaign Advisory Committee
- The Colorado Health Foundation Housing Advisory Committee
- Housing Colorado Legislative Committee
- Neighbor to Neighbor Board of Directors
- Neighbor to Neighbor Asset Management Committee
- Habitat for Humanity of Colorado Finance Committee
- National Charity League
- BBVA Community Advisory Board
- Windsor Housing Authority
- Colorado Enterprise Fund
- Arvada Urban Renewal Authority

Community Facility Spotlight: Bright Future Foundation of Eagle County

BRIGHT FUTURE FOUNDATION

Impact Development Fund is proud to have provided financing for a replacement shelter for victims of domestic abuse and their dependents in Gypsum, CO. Bright Future Foundation (BFF) was formed in 1984 as The Resource Center of Eagle County to help women and children affected by domestic violence and sexual assault, providing counseling services, legal advocacy, buddy mentor, youth violence prevention and a SafeHouse/Rapid ReHousing program. As the only comprehensive resource for victims of abuse within Eagle County, BFF not only serves the local community but also those traveling through the area. Cumulatively, BFF assisted 182 survivors and their families have been provided 18,500 nights of transitional shelter. IDF provided a \$1.6M construction to permanent loan with leveraged funding of an additional \$3.7M from gifts, donors, Victim of Crime Act Administrators, Eagle County, Local Jurisdictions, Beaver Creek Resort, El Pomar, Colorado Division of Housing and the following Foundations: Vail Health, Gates Family, Eagle Community and Johnson.

Awards

Impact Development Fund is honored to be awarded the Greeley Weld Habitat for Humanity Community Partner of the Year for 2020.





Assets

Cash & Cash Equivalents	\$21,486,818
Short Term Investments	\$0
Receivables	\$604,264
Net Current Assets	\$9,706,723
Net Non-Current Assets	\$17,265,528
Other Assets	\$256,578
Total Assets	\$49,319,911



Liabilities

Accounts Payable	\$771,339
Notes Payable	\$33,873,848
Agency Liabilities	\$1,788,152
CMF Balance	\$1,110,679
Total Liabilities	\$37,544,018



Net Assets

Unrestricted	\$11,775,893
Total Net Assets	\$11,775,893
Total Liabilities & Net Assets	\$49,319,911



Revenue

Interest Income - Loans	\$1,572,502
Loan & Servicing Fee Income	\$607,874
Grants & Contributions	\$2,342,468
Other Income	\$24,541
Provision for Loan Losses	\$(714,741)
Total Revenue	\$3,832,644



Expenses

Program Expense	\$1,369,931
Technical Assistance	\$181,190
Support Services	\$343,576
Total Expenses	\$1,894,697

Increase in Net Assets	\$1,937,947
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2021 Board Members



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Vice President,
Community Lending
and Investment
Wells Fargo Bank

Mark O'Connor
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Senior Vice President,
Director of Investment
FirstBank Holding Company

Randy Ilich
(Treasurer)
Vice Chairman
Colorado Federal Savings Bank

Debra Bustos
(Secretary)
Deputy Director
Department of
Housing Stability

Kristin Candella
Executive Director
and CEO Fort Collins
Habitat for Humanity

Becky Christoffersen
Chief Investment Officer
Midwest Housing Equity Group

Micah Halverson
Partner
Kutak Rock LLP

Khanh Nguyen
Portfolio Director,
Healthy Living
Colorado Health Foundation

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Colorado Housing and
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Stephen Wessler
Senior Vice President
CBRE Capital Markets

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Vice Chairman
Colorado Federal Savings Bank

Abby Murray
Housing Investments Consultant
Weave Social Finance

Annie Perizzolo
Portfolio Manager
BBVA



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