Our 2020 Vision for Communities
2015 Impact Highlights:

$131 MILLION CLOSED LOANS
154,000 PEOPLE SERVED
1,050 JOBS CREATED
EDUCATION: 4,500 STUDENTS
HEALTH CARE: 87,000 PATIENTS
HEALTHY FOOD: 61,000 CUSTOMERS

Through our efforts, we will work to address systemic poverty, build equitable opportunities, create healthy communities and ensure inclusive growth.
Building a Foundation of Equity, Opportunity and Inclusiveness

Ellis Carr
President and CEO

As Capital Impact’s new CEO, I am incredibly excited to take this opportunity to both look back at 2015 and to expound on our new five-year vision to 2020.

Over the past year, we continued to build upon the organization’s strong financial position, deep partnerships and innovative product development. We provided ongoing leadership in the health care space, helped a number of charter schools expand their educational offerings and saw several of our projects come online across Detroit. We also launched two new lending initiatives that will expand access to healthy foods and support age-friendly communities.

At the same time, two of our long-time programs saw fresh beginnings. After working to build and scale the Green House model for dignified long-term care and the Cornerstone Partnership to expand affordable housing, we saw those initiatives become self-sufficient, independent organizations.

In the accompanying pages, you’ll see the impact of our work throughout the year first hand when you meet Yesenia Franco, a proud mother whose daughter has already chosen her college—even though she is still an elementary school student at Equitas Academy. We’ll take you on a tour of Unity Health Care and learn how Michele Reynolds, who, along with her neighbors in Washington D.C.’s Ward 5, now has access to quality care. You will also experience the kindness of Meals on Wheels volunteers in Texas who bring hot meals to Kajl, an accomplished chef no longer able to prepare all his own meals.

As impressed as I am with the impact we had in 2015, I’m equally excited about what lies ahead. This year marks the launch of our new five-year strategy. Core to that effort is working with all of you to create a nation of communities built on a foundation of equity, opportunity and inclusiveness. It is an appropriate North Star for our ambitious agenda.

Through our efforts, we will work to address systemic poverty, build equitable opportunities, create healthy communities and ensure inclusive growth.

This will require us to expand our lending and implement new capitalization efforts that broaden our reach. We also plan to incubate, advocate and scale new and promising ideas through our policy to practice work. This report will provide you with our initial roadmap.

I look forward to continuing Terry Simonette’s legacy and am excited to join my colleagues in taking the bold steps necessary to find new ways to address the social and economic justice issues that impact underserved communities. I sincerely hope that you join us in shaping a new tomorrow.
At Capital Impact Partners we put money to work, focusing our efforts on the best ways to use dollars to achieve powerful outcomes.

Scott Sporte  
Chief Lending Officer

Our lending work at Capital Impact Partners in 2015 increased more than 17 percent over 2014—a success that we celebrate in the present as we look ahead to new levels of accomplishment. This lending volume is a source of strength as it supports our organization financially while simultaneously reinforcing communities with increased access to critical housing, services and employment opportunities.

The new Michigan Good Food Fund uses financing to increase equitable access to fresh, healthy food. The Fund focuses on reducing food deserts in cities like Detroit and Flint as well as rural areas north of the Mackinac Bridge. It also supports producers of locally grown fruits and vegetables as well as entrepreneurs and employers.

Our new Age Strong Investment Fund, developed in partnership with the Calvert Foundation, AARP and AARP Foundation, connects the burgeoning world of impact investing with high impact organizations to provide needed services to low-income people aged 50 and up. With Age Strong, an investment as small as $20 that could be quietly earning interest in a bank is instead put to work constructing housing and providing access to health care for very low-income seniors in rural Colorado. That investment is also helping to eliminate a Philadelphia food desert so that closer proximity to food and community services enables more seniors to remain in their homes as they age.

We have also put our shoulder to the wheel in partnership with the Low Income Investment Fund and the Reinvestment Fund to utilize the CDFI Bond Guarantee Program. This program benefits a KIPP school in Camden, New Jersey that constructed a new school for more than 1,000 pre-K through 8th grade students. This school provides high-quality educational options for neighborhoods whose traditional public schools are closing.

In Detroit, projects in the Woodward Corridor Investment Fund and Detroit Neighborhoods Fund began opening their doors to people from a mix of income levels by using our lending as a tool to transform vacant,
Our new lending strategy intends to make money work harder, achieving even deeper levels of impact in and across communities.

As the accompanying graphic illustrates, our loans support connections. A loan to a community health center provides a new point of access for primary care. It also allows a senior to use the services of that nearby center to be healthier and remain at home longer. A loan to a retail grocer increases that retailer’s purchases of locally grown produce that in turn creates jobs and economic opportunity. Financing to a new apartment building in Detroit builds safer, walkable, mixed-income communities and local demand that supports retailers and other job creating employers.

We accomplished much in 2015 and know that our diligent effort will lead to even more in the years to come. We are grateful to our partners and thank you for joining us as we look ahead to 2020.
2020 STRATEGY

ADDRESS SYSTEMIC POVERTY
Effect systemic change at scale—from social systems to government programs—so that all people have paths out of poverty

CREATE EQUITY
Support equitable access to quality services and economic opportunity regardless of race, ethnicity, gender, income or geography

BUILD HEALTHY COMMUNITIES
Foster connections and social supports that strengthen the links between health, education, housing and opportunity that help people and communities thrive together

PROMOTE INCLUSIVE GROWTH
Build diverse, mixed-income communities that promote economic mobility and empower individuals to break the barriers to success

STRATEGIC PILLARS

Implement lending efforts that support connections and impact across multiple sectors simultaneously

Advance equitable growth and access through local, state and federal advocacy

Establish “Policy to Practice” capability that supports innovation within our business sectors as well as across the CDFI Industry

Convene cross-sector leaders, establish partnerships and expand technical assistance programs that scale innovative practices

Strengthen financial position through expanded lending, capital diversification and impact investing strategies
Our 2020 Focus:
Support health care delivery innovations that are focused on prevention and whole person well-being

Programs:
- Age Strong
- CPCA Ventures Loan Fund
- Healthier California Fund

We are confident that we’re going to get quality care, and that is so important.

Michele Reynolds
Patient, Unity Health Care, Washington D.C.
Our 2020 Focus:
Create more high-quality schools that deliver excellent educational outcomes for low-income students

Programs:
- CDFI Bond Guarantee Program
- New Markets Tax Credit Program

“‘We are not negotiating if you are going to college, it’s which college you are going to.’

Malka Borrego
Executive Director, Equitas Academy

Meet the (future college) students of Equitas Academy at www.capitalimpact.org/stories
Our 2020 Focus:
Increase access to fresh and healthy food by expanding our work in food distribution, processing and production while maintaining support for neighborhood retailers.

Programs:
- Age Strong
- California FreshWorks Fund
- Michigan Good Food Fund
- National Cooperative Grocers Loan Fund

“This store makes me feel like we are not forgotten.”

Geraldine
Customer, Imperial Fresh Market
Our 2020 Focus:
Develop food, worker and housing co-ops through expanded national technical assistance programs, peer networks and capital delivery

Programs:
- Co-op Innovation Award
- National Cooperative Grocers Loan Fund

This idea has potential to gain a momentum of its own and become self-generating and sustaining.

Melissa Hoover
Executive Director, Democracy at Work Institute

See co-op innovation in action at www.capitalimpact.org/blog
Our 2020 Focus:
Help revitalize and stabilize markets in Detroit’s investment-ready neighborhoods by supporting equitable mixed-use, mixed-income development

Programs:
- Detroit Neighborhoods Fund
- Woodward Corridor Investment Fund

We hope Detroit may ultimately prove to be a model city for inclusive and equitable economic development.

Bradford Frost
Director, Detroit Program, Capital Impact Partners

What does inclusive growth look like?
Watch the video at www.capitalimpact.org/blog
Our 2020 Focus:
Foster housing efforts that offer opportunities to build assets while preserving long-term affordability

Programs:
- Age Strong
- Detroit Neighborhoods Fund
- Woodward Corridor Investment Fund

The co-op model of ownership is an excellent solution to a basic problem.

Paul Bradley
President, ROC USA

Join Paul’s affordable housing crusade at www.capitalimpact.org/blog
Our 2020 Focus:
Strengthen the ability of older adults to age in their community by applying an aging lens across all of our lending programs

Program:
- Age Strong

This program has made all the difference in my life.

Bettye
Recipient, Tarrant County Meals on Wheels Program

Experience how this program is delivering food and friends to those in need at www.capitalimpact.org/stories
As we begin to implement our 2020 Strategy, we will continue efforts to strengthen our financial position by bringing our lending more on balance sheet, actively managing expenses and implementing capitalization strategies to improve margins.

2015 Growth Highlights:

- $17 MILLION Unrestricted Net Asset Growth
- 20% INCREASE In Unrestricted Net Assets
- $22 MILLION 11% Loan Portfolio Growth
- 0.4% Delinquency Ratio
Driven by another year of strong lending, Capital Impact ended 2015 with a solid financial position.

The organization’s overall portfolio increased by $22 million or 11 percent.

Top-line revenue continued to grow as well. Net income rose by $11 million—a year-over-year increase of 213 percent. Net assets saw an expected decline as a result of launching our Green House and Cornerstone Partnership programs and the accompanied grant revenue that was used to fund those activities.

Now, as we begin to implement our 2020 Strategy, we will continue efforts to strengthen our financial position by bringing our lending more on balance sheet, actively managing expenses and implementing capitalization strategies to improve margins.

We will continue to develop and diversify our capital base by building on our Federal Home Loan Bank of Atlanta membership to scale access to flexible capital. Also, we will explore ways to attract impact investors as a means to bolster our social impact while allowing for the ability to provide relevant returns to investors.

We have seen incredible success with these types of programs that raise capital for international projects. We intend to harness that same interest domestically as a means of creating access to the critical services that underserved communities need to thrive. Ultimately, we believe these efforts will help us in expanding our reach and impact by 2020.

Expanding and Diversifying our Capital Base
### FUNDERS & DONORS
- AARP
- Archstone Foundation
- Appleton Foundation
- Bill and Melinda Gates Foundation
- Cooperative Development Foundation
- First 5 Los Angeles
- Ford Foundation
- Harry and Jeanette Weinberg Foundation
- JPMorgan Chase Foundation
- Kaiser Foundation Hospital Fund for Community Benefit Programs at the East Bay Community Foundation
- Kaiser Foundation Hospitals California Southern Region
- Kresge Foundation
- Koret Foundation
- Living Cities
- The Mousetrap Foundation
- National Housing Institute
- Nationwide Foundation
- Ohio Community Development Loan Fund
- Ohio Community Development Finance Fund
- Salesforce.com Foundation
- Social Innovation Fund | Corporation for National and Community Service
- SCAN Foundation
- The Robert Wood Johnson Foundation
- U.S. Department of Education

### INVESTORS
- AARP Foundation
- Bank of America
- California Community Foundation
- Calvert Social Investment Foundation
- Deutsche Bank
- Dignity Health
- Federal Home Loan Bank
- Atlanta Cooperative
- JPMorgan Chase
- Living Cities Catalyst Fund
- Max M. & Marjorie S. Fisher Foundation
- Metropolitian Life
- Merrill Lynch
- Morgan Stanley
- Northern Trust
- Opportunity Finance Network
- PNC Bank
- Prudential Social Insurance Program
- Rasmuson Foundation
- Self-Help Credit Union
- The California Endowment
- U.S. Bank Community Development Corporation
- U.S. Department of Treasury CDFI Fund
- U.S. Department of Treasury | Small Business Lending Fund
- W.K. Kellogg Foundation
- Wells Fargo Bank
- Bank of America
- Fannie Mae
- Federal Reserve Bank of San Francisco
- Freddie Mac
- Habitat for Humanity International
- Midtown Detroit, Inc.
- National Association of Housing and Redevelopment Officials
- National Association of Local Housing Finance Agencies
- National Association of Realtors
- National Community Land Trust Network
- National Co-op Grocers
- National Cooperative Bank, NA
- National Cooperative Business Association
- National Council of State Housing Agencies
- National Fair Housing Alliance
- National Family Caregivers Association
- National Housing Conference & Center for Housing Policy
- National Housing Institute
- NeighborhoodLiaison
- NeighborWorks America
- Nonprofit Finance Fund
- Northern California Community Loan Fund
- Northern Initiatives
- Ohio Administration on Aging
- Partners for the Common Good
- PolicyLink
- PHI National

### PARTNERS
- Alzheimer’s Association
- American Health Care Association
- American Medical Directors Association
- Arkansas Division of Aging & Adult Services
- Beneficial State Bank
- California Department of Health Services
- California Charter Schools Association
- California Primary Care Association
- California School Finance Authority
- Capital Link
- Center for Community Progress
- Centers for Medicare and Medicaid Services
- CFED
- Chi Partners
- City of Detroit
- Clearinghouse CDFI
- CoMetrics
- Community Development Association of Detroit
- Community Health Center Capital Fund
- Community Reinvestment Fund
- Data Driven Detroit
- Detroit CDFI Coalition
- Detroit Development Fund
- Detroit Economic Growth Corporation
- Detroit Future City
- Democracy at Work Institute
- District of Columbia, Office on Aging
- EdTech
- EdX
- Fannie Mae
- Federal Reserve Bank of San Francisco
- Flagstar Bank
- Freddie Mac
- Grantmakers for Effective Organizations
- Habitat for Humanity International
- Housing Partnership Network
- Harvard University Initiative for Responsible Investment
- ICA Group, Inc.
- IF
- Impact Community Capital
- Innovative Housing Institute
- Invest Detroit
- Kirwan Institute
- Leading Age
- Liberty Bank
- Local Initiatives Support Corporation
- Low Income Investment Fund
- Michigan Economic Development Corporation
- Michigan Lending Solutions
- Midtown Detroit, Inc.
- National Association for County Community and Economic Development
- National Association of Housing and Redevelopment Officials
- National Association of Local Housing Finance Agencies
- National Association of Realtors
- National Community Land Trust Network
- National Co-op Grocers
- National Cooperative Bank, NA
- National Cooperative Business Association
- National Council of State Housing Agencies
- National Fair Housing Alliance
- National Family Caregivers Association
- National Housing Conference & Center for Housing Policy
- National Housing Institute
- National League of Cities
- NeighborWorks America
- Nonprofit Finance Fund
- Northern California Community Loan Fund
- Northern Initiatives
- Ohio Administration on Aging
- Partners for the Common Good
- PolicyLink
- PHI National
- Pioneer Network
- Reinvestment Fund
- ROC USA
- Rural Community Assistance Corporation
- Seattle Investment Fund
- Self-Help Credit Union
- The Eden Alternative
- The Partnership for Working Families
- University of Detroit Mercy
- U.S. Department of Housing and Urban Development
- U.S. Federation of Worker Cooperatives
- Urban Institute
- Wespath Division of the General Board of Pension and Health Benefits of The United Methodist Church
### BOARD OF DIRECTORS

**THOMAS BLEDSOE**  
President and  
Chief Executive Officer  
Housing Partnership Network

**JANIS HERSHKOWITZ**  
President &  
Chief Executive Officer  
PRL, Inc.

**ELI KENNEDY**  
Chief Executive Officer  
Level Playing Field Institute

**ROSEMARY MAHONEY**  
Board Vice Chair  
Senior Advisor  
CoMetrics

**RAY MONCRIEF**  
Former Executive  
Vice President and Chief  
Operating Officer  
Kentucky Highlands  
Investment Corporation

**DANA PANCRAZI**  
Board Chair  
Vice President, Capital Markets  
The F.B. Heron Foundation

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New York Cooperatives & Condominiums

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Chief Executive Officer  
National Cooperative Business Association (NCBA CLUSA)

### CAPITAL IMPACT PARTNERS AND SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**2015 (As of December 31st) and 2014**

<table>
<thead>
<tr>
<th>Assets ($ Millions)</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents—unrestricted</td>
<td>$21,896,663</td>
<td>$22,973,465</td>
</tr>
<tr>
<td>Cash and cash equivalents—restricted</td>
<td>$35,776,052</td>
<td>$39,260,027</td>
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<tr>
<td>Accounts and interest receivable</td>
<td>$2,123,122</td>
<td>$1,990,401</td>
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<tr>
<td>Contributions receivable</td>
<td>$852,811</td>
<td>$12,296,545</td>
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<tr>
<td>Investments</td>
<td>$4,700,914</td>
<td>$4,754,555</td>
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<tr>
<td>Investment in joint venture</td>
<td>$2,660,888</td>
<td>$2,660,793</td>
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<tr>
<td>Loans receivable</td>
<td>$180,574,691</td>
<td>$164,914,807</td>
</tr>
<tr>
<td>Less: allowance for loan losses</td>
<td>-$9,374,669</td>
<td>-$9,177,796</td>
</tr>
<tr>
<td>Loans receivable—subsidiaries</td>
<td>$41,854,452</td>
<td>$35,421,220</td>
</tr>
<tr>
<td>Other assets</td>
<td>$2,728,996</td>
<td>$2,715,301</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$283,793,920</strong></td>
<td><strong>$277,809,318</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets Liabilities</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$4,045,327</td>
<td>$4,028,078</td>
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<tr>
<td>Revolving line of credit</td>
<td>$32,800,000</td>
<td>$24,950,000</td>
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<tr>
<td>Notes payable</td>
<td>$61,250,300</td>
<td>$67,637,569</td>
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<tr>
<td>Subordinated debt</td>
<td>$10,718,000</td>
<td>$8,218,000</td>
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<tr>
<td>Bond loan payable</td>
<td>$5,859,705</td>
<td>$3,436,546</td>
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<tr>
<td>Notes payable—subsidiaries</td>
<td>$41,291,448</td>
<td>$35,421,220</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>155,964,780</strong></td>
<td><strong>140,270,193</strong></td>
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<table>
<thead>
<tr>
<th>Net Assets</th>
<th>2015</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$101,244,487</td>
<td>$84,554,160</td>
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<tr>
<td>Temporarily restricted</td>
<td>$25,097,178</td>
<td>$51,497,490</td>
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<tr>
<td>Permanently restricted</td>
<td>$1,487,475</td>
<td>$1,487,475</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>127,829,140</strong></td>
<td><strong>137,539,125</strong></td>
</tr>
</tbody>
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Farewell, But My Commitment Continues

As I think about my 32 years with Capital Impact Partners, I am overwhelmed when I consider the thousands of stakeholders that have made contributions to our work of helping people and communities across the country reach their highest potential.

This army of people and organizations, all part of the ongoing and thriving community development finance sector, includes partners who have worked shoulder-to-shoulder with us; investors whose capital participation helped us stand up a strategy that continues to generate high impact outcomes; foundations whose contributions increase our capacity and enable transactions that otherwise would not be possible; and our many board members whose selfless contribution of their time and talent helped to guide us in our endeavor. In my mind, they are our real heroes.

And finally, let me single out our hundreds of staff members. These tireless individuals have dedicated their commitment and leadership to our industry. They have breathed life into our collective vision of creating a nation of communities built on a foundation of equity, opportunity and inclusiveness.

The more than 1,000 Community Development Financial Institutions in the country come in all shapes and sizes. Capital Impact Partners holds a unique niche because of our unusual beginnings with a credit culture and track record that has been built on financial rigor and discipline. We hold a continuing commitment to cooperatives, and other forms of democratic ownership, and all that they achieve for their stakeholders. We have an ongoing appetite for investment in innovations that both drive our organization to excel and also provide important leadership and impetus for our industry.

I count myself exceptionally fortunate to have been part of this group of people across the country who continue to stand up for social justice and who imagines a world that enables all of us to succeed. I certainly will be farther back in the ranks of this army in the future, but for sure, I will continue to be a proud member of this movement and support it in every way that I can.

Thank you for the opportunity to know and work with all of you. It has meant more to me than you can imagine.
I count myself exceptionally fortunate to have been part of this group of people across the country who continue to stand up for social justice and who imagine a world that enables all of us to succeed.
TRANSFORMING UNDERSERVED COMMUNITIES INTO STRONG, VIBRANT PLACES OF OPPORTUNITY

Crystal City
2011 Crystal Drive
Suite 750
Arlington, VA 22202
P: 703.647.2300
F: 703.647.3490

Detroit
2990 West Grand Blvd
Suite M-15
Detroit, MI 48202
P: 313.230.1116

Oakland
360 22nd Street
Suite 320
Oakland, CA 94612
P: 510.496.2222
F: 510.496.0404

www.capitalimpact.org

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