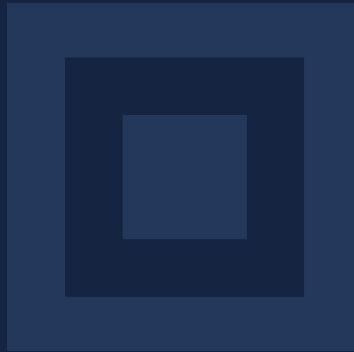


# IMPACT ACROSS THE MAP: MEETING THE NEED FOR AFFORDABLE HOUSING



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## ABOUT IMPACT COMMUNITY CAPITAL

IMPACT Community Capital is a leading private debt and fixed income investment manager. Founded by major insurance companies, IMPACT has a 26-year track record of impact investing, primarily in affordable housing. With \$2.9B of investments originated to-date, IMPACT's innovations in the capital markets result in institutional-quality investments in scale, while also advancing opportunity in underinvested communities.



# LETTER FROM JEFF BRENNER

PRESIDENT & CEO



Clients and friends,

The IMPACT Community Capital team continues to drive meaningful progress toward our vision of advancing opportunity in underinvested communities. Our latest impact results demonstrate how much we have achieved at a time when our work feels particularly urgent.

Last year, IMPACT's investments financed housing for nearly 7,500 people, cumulatively saving those residents more than \$500,000 per month compared to market-rate rents. At the same time, these investments generated the risk-adjusted financial returns our institutional investors have come to expect.

Yet, nationally, the housing affordability crisis is growing. The United States recently hit a troubling record: As of 2022, half of all U.S. renters were classified as cost-burdened<sup>1</sup>. That all-time high means more than 22 million renter households spent more than 30 percent of their income on rent and utilities – leaving families stretched to pay for other essentials, such as childcare, transportation, and groceries.

At IMPACT, we see this pressing need for affordable housing in all our work. It touches all types of American communities: from busy urban centers to less-densely populated rural regions; from areas where housing construction is disproportionately expensive to the lands of federally recognized Native tribes.

If there is a silver lining, it is that when the need for affordable housing is met, it unleashes a ripple effect of positive impact that stretches across entire communities. The need is broad – but so is the impact.

At IMPACT, we also see this virtuous cycle wherever we work. We witness the ways that affordable housing offers residents far more than just shelter. Housing that is safe, secure, and affordable leaves residents with sufficient income to spend on other life essentials – and they often spend that money at neighborhood businesses, which keeps residents' rent savings circulating in their local economy. The beneficial effects compound from there.

Leveraging a 26-year history that demonstrates the powerful role of institutional capital in promoting affordable housing nationwide, IMPACT's focus remains steady: Unlocking value for investors through purpose-driven investments that transform American communities. Our commitment has never been stronger for bringing this vision into reality.

Sincerely,

Jeff Brenner

*President & Chief Executive Officer, IMPACT Community Capital*

<sup>1</sup>2024 America's Rental Housing; Joint Center for Housing Studies of Harvard University.

# OUR 26-YEAR TRACK RECORD



## IMPACT'S REAL-WORLD OUTCOMES TO DATE

Since IMPACT's founding by leading insurance companies in 1998, our focus has remained constant: To invest capital at scale in communities nationwide, delivering competitive, risk-adjusted returns and generating long-term impact. Over two-and-a-half decades, we have financed more than 55,000 units of affordable housing across dozens of states. Our investments made since 2015 have collectively saved residents \$3.4M per month.

As pioneers in impact investing, our track record demonstrates the suitability of affordable housing as an asset class for institutional investors, and our work demonstrates the power of institutional capital to unlock opportunity for communities across the country. As the need for affordable housing continues, we know that greater impact is on the horizon.



### TOTAL

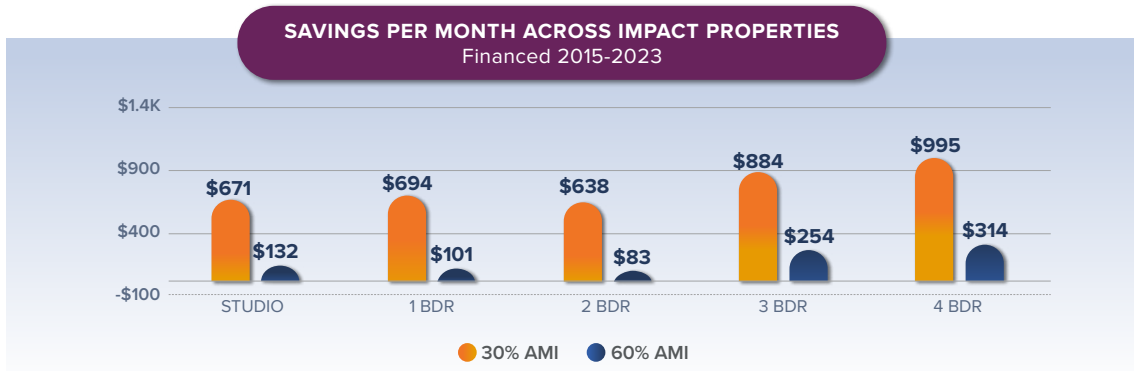
• INVESTMENTS ORIGINATED:	<b>\$2.9B<sup>1</sup></b>
• INVESTMENT IN AFFORDABLE HOUSING:	<b>\$1.6B</b>
• PROPERTIES FINANCED:	<b>693</b>
• UNITS FINANCED:	<b>55,595</b>
• STATES:	<b>43<sup>2</sup></b>
• NUMBER OF RESIDENTS HOUSED SINCE 2015:	<b>46,464</b>
• MONTHLY RENT SAVINGS FOR UNITS FINANCED SINCE 2015	<b>ESTIMATED TOTAL \$3.4M</b>

*IMPACT Community Capital Data, 2015 - 2023*

## MONTHLY SAVINGS FOR RESIDENTS<sup>3</sup>

Affordable housing offers much more than just shelter to residents. The money families save each month, compared to market-rate rents, allows them to afford other essentials – like childcare, groceries, and transportation. As such, monthly rent savings can result in spending that supports the local economy.

The average monthly rent savings that our investments have supported for residents across the country underscore our longstanding commitment to fostering equitable, thriving communities.



<sup>1</sup>Includes total affordable housing mortgage loans originated, affordable housing mortgage securities issued, as well as investments in childcare, healthcare, small business, and economic development. <sup>2</sup>Total state count includes District of Columbia. <sup>3</sup>As of December 2023 for units financed since 2015.



OUR INVESTMENTS  
MADE SINCE 2015  
HAVE COLLECTIVELY  
SAVED RESIDENTS  
**\$3.4M**  
PER MONTH

IMPACT HAS FINANCED  
A TOTAL OF  
**693** PROPERTIES  
ACROSS **43** STATES.



# 2023 YEAR IN REVIEW



2023 was another strong and gratifying year for IMPACT. **We invested more than \$210M in American communities** – an increase of more than one-third compared to 2022. That large-scale capital investment generated real-world impact for the 7,488 additional residents we helped house in 2023, offering these residents and their families meaningful monthly rent savings and delivering value to our investors.

Even as IMPACT’s investment footprint expands, the immense unmet need for affordable housing grows more pronounced. The Joint Center for Housing Studies of Harvard University finds that, as of 2022, **half of all American renters are cost-burdened**, meaning they spend **30% or more of their income on housing and utilities**. That total – a new national record – adds greater urgency to IMPACT’s work.

*America’s Rental Housing 2024, Joint Center for Housing Studies of Harvard University*

**38%**  
INCREASE IN  
INVESTMENTS  
YOY vs. 2022

**2023  
INVESTMENT:**

**\$210.6M**

**2023 TOTAL  
PROPERTIES  
FINANCED:**

**32**

**2023 TOTAL  
UNITS  
FINANCED:**

**2,843**

**MONTHLY RENT SAVINGS  
FOR RESIDENTS AT  
PROPERTIES FINANCED  
IN 2023**

**\$544,483**

**DURING 2023,  
IMPACT Community  
Capital’s financing  
supported affordable  
housing in  
29 CITIES ACROSS  
14 STATES.**

*IMPACT Community Capital Data as of 12/31/2023*

## IMPACT ALIGNED WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

As IMPACT builds toward equitable and thriving communities on a national scale, we are also supporting global progress toward the United Nations Sustainable Development Goals (SDGs). The 17 SDGs, adopted in 2015, offer “*a shared blueprint for peace and prosperity for people and the planet, now and into the future.*”

IMPACT utilizes five of the SDGs to define our area of focus within the impact investing universe. These targets help connect our work on affordable housing and community development across the United States to similar efforts across the globe.

*United Nations Dept. of Economic and Social Affairs: Sustainable Development*





# EXPANDING OPPORTUNITY IN COMMUNITIES ACROSS THE COUNTRY



The broad need for affordable housing affects communities nationally. This means that IMPACT’s work is important everywhere from bustling urban centers to less-densely populated rural areas.

In 2016, the Federal Housing Finance Agency issued the “**Duty to Serve Underserved Markets**” rule for federal housing finance agencies it oversees. The rule identifies several distinct types of American communities in need of affordable housing support. **IMPACT’s investments reach each of these – often surpassing national benchmarks in these categories.**

Driving capital into underserved markets can deliver a positive ripple effect of benefits for the broader community. Our work to address the universal need for affordable housing – a cornerstone of thriving communities – highlights IMPACT’s commitment to fostering opportunity across the country.

## AREAS OF CONCENTRATED POVERTY

Areas of Concentrated Poverty have 50 percent of households with incomes below 60 percent of the area median gross income (AMGI) or have a poverty rate of 25 percent or more, among other qualifying characteristics.

*Federal Housing Finance Agency*

### IMPACT SHARE OF UNITS

**in Areas of Concentrated Poverty:**

# 48%

### NATIONAL SHARE OF LIHTC DEBT PROPERTIES

**in Areas of Concentrated Poverty\*:**

# 46.3%

*\*As of 2022; source: Federal Housing Finance Agency*



Located in a federally designated Area of Concentrated Poverty, IMPACT financed the Windward Apartments. The newly constructed affordable housing consists of 54 residential units, with on-site case workers providing comprehensive social services.

**THE WINDWARD APARTMENTS** | *Bridgeport, CT*

*Carl Vernlund - ©Carl Vernlund Photography*

## RURAL AREAS



Situated near the Mississinewa River about 75 miles outside of Indianapolis, Hidden Ponds is an 80-unit affordable housing complex financed by IMPACT in a designated Rural Area. The property offers a variety of amenities, including a playground and a computer room.

**THE HIDDEN PONDS** | *Gas City, IN*

Rural Areas include regions that lie outside federally designated metropolitan areas or outside the urbanized portions of such metro areas, among other qualifying characteristics.

*Federal Housing Finance Agency*

### IMPACT SHARE OF UNITS

**in Rural Areas:**

# 24%

### NATIONAL SHARE OF LIHTC DEBT PROPERTIES

**in Rural Areas\*:**

# 10.1%

*\*As of 2022; source: Federal Housing Finance Agency*



# EXPANDING OPPORTUNITY IN COMMUNITIES ACROSS THE COUNTRY



## HIGH OPPORTUNITY AREAS

High Opportunity Areas include areas with high land, construction, and utility costs relative to the area median income, which federal guidelines have deemed Difficult Development Areas, among other qualifying characteristics.

*Federal Housing Finance Agency*

### IMPACT SHARE OF UNITS

in High Opportunity Areas:

12%

### NATIONAL SHARE OF LIHTC DEBT PROPERTIES

in High Opportunity Areas\*:

11.7%

*\*As of 2022: Federal Housing Finance Agency*



IMPACT financing is supporting the construction of Reserves at Magnolia, a housing complex located in a High Opportunity Area on the northern edge of the Dallas-Ft. Worth metro area. The unique community will offer 60 units of newly built affordable housing.

**RESERVES AT MAGNOLIA** | Denton, TX

*Overland Property Group*

## INDIGENOUS TRIBAL AREAS



Located very near the Tohono O’odham Nation Reservation, IMPACT financed Maddox Estates. This 60-unit, two-story townhome community offers residents a children’s play area, sports court, and pool, among other amenities.

**MADDOX ESTATES** | Eloy, AZ

*Shelley Valdez - Shelley Marie Images*

Indigenous Tribal Areas are the homelands of federally recognized Native American communities – a group which is classified by federal guidelines as a sub-set of the larger “high-needs rural populations.”

*Federal Housing Finance Agency*

### IMPACT SHARE OF UNITS

in Indigenous Tribal Areas:

5%

# IMPACT IN ACTION: THE VIEW FROM CADENCE APARTMENTS

LOS ANGELES, CALIFORNIA



Located in a federally designated Area of Concentrated Poverty in the Watts neighborhood of south Los Angeles, Cadence Apartments houses individuals who have previously experienced homelessness. The newly constructed 64-unit property provides deep supportive services to residents, including access to intensive case management services offered by the Los Angeles County Department of Health Services.

Thirty-one of Cadence's units are further reserved for tenants living with serious mental illness – a subset of residents who receive additional mental health resources right on the property.

*Our investment in properties like Cadence illustrates our belief that affordable housing provides more than just shelter – it can unlock a ripple effect of benefits for residents and their communities.*

## CADENCE APARTMENTS

### IMPACT FINANCING

- \$4M tax-exempt loan
- Originator: Bank of America

### AMENITIES

- On-site social and supportive services
- Community room with kitchen
- Computer room
- Outdoor courtyards
- Indoor bicycle parking
- Convenient access to public transportation, shopping, and community services

### AFFORDABILITY RESTRICTION

- Limited to tenants making 30% AMI or lower.





IMPACT strives to align its impact measurements with highly credible industry standards, including the UN Sustainable Development Goals.

The alignment of our key metrics with specific SDG sub-measures is detailed in the table below.

KEY METRIC	SDG SUB-MEASURES
<b>Total Investment:</b>	11.1
<b>Total Properties Financed:</b>	11.1
<b>Future New Properties Committed:</b>	11.1
<b>Total Units Financed:</b>	11.1
<b>Number of States Impact has Invested in:</b>	11.1
<b>Number of Residents:</b>	1.2.2; 11.1
<b>Monthly Rent Savings for Residents:</b>	1.2.2; 8.2.1; 10.1.1; 10.2.1
<b>Unit Income Restriction Data</b>	1.2.2, 10.2.1, 11.1
<b>Units in Furthering Economic Opportunity Areas Data</b>	1.2.2, 8.5.2, 8.6
<b>Social Vulnerability Index Data</b>	1.5; 3.9.1; 11.1.1; 11.5.1; 11.5.3

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# THANK YOU

IMPACT would like to extend our appreciation to the following people and partners who were integral to completing our report:

- Bank of America
- LINC Housing
- Dana Andrew PR
- BackBay Communications
- Saskia Hicks

THANK YOU to all our investors, owners, employees and lending partners for supporting our mission and vision.

For more information, please contact us at [info@impactcapital.net](mailto:info@impactcapital.net)

## 2024 IMPACT REPORT

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