



2023

Annual Report

A Letter From Our CEO


Community development requires innovation, flexibility and focused dedication to sustainable solutions in a way that is responsive to local needs and current socioeconomic conditions. Impact Seven's achievements in 2023 reflect those attributes and express our organizational commitment to investing in Wisconsin's communities.

Impact Seven's strategic approach to growth has fostered and enhanced our ability to adapt in a constantly changing environment, aligning our resources with community needs for new affordable housing, healthcare, small business loans and more. Even in a year of inflationary pressures, Impact Seven increased our volume of lending and housing development. Directing capital to where it is needed most is central to meeting our mission and expanding our impact.

In 2023, new development in Wisconsin faced challenges associated with rising construction and financing costs. Impact Seven structures its financing to suit the needs of individual projects, closing critical gaps to get the job done. From providing gap financing, to New Markets Tax Credits (NMTC) allocations, to permanent financing, Impact Seven works with all parties involved to marry capital resources with community needs.

Impact Seven provided \$55 million in New Markets Tax Credits (NMTCs) and \$32.6 million in direct lending in 2023, representing substantial investments in community economic



A scenic view of a rocky shoreline with green trees and water. The foreground shows a rocky bank with some green moss or algae. The water is a mix of green and blue, with some white foam. In the background, there are lush green trees and a large tree trunk. The sky is a pale blue.

development in Wisconsin. NMTCs, competitively allocated by the US Treasury Department to community development entities, are an essential resource for high impact projects that produce community benefits such as new living-wage job creation, healthy foods, medical care, high quality educational opportunities, and more.

As home prices continued to soar, Impact Seven stepped up our commitment to increasing the supply of affordable housing in Wisconsin and beyond, supporting the most effective Wisconsin-based developers of affordable housing with successful track records and the capacity to produce consistently high volumes to meet community needs. In 2023 Impact Seven provided \$28.7 million in direct loans for new rental housing developments totaling 1,618 affordable and mixed-income apartments. In addition, Impact Seven made significant investments to increase our own capacity for affordable housing development, with multiple properties under rehabilitation and four new developments in progress. In 2023, our development team completed the Woodside Prairie Apartments with affordable rental housing and supportive services for individuals with special needs and low-income families in Grafton, Wisconsin.

Impact Seven is dedicated to providing the financial capital and knowledge resources necessary to transform community and economic development concepts into reality. In 2023, \$87 million in loans and NMTC equity investments placed by Impact Seven leveraged over \$1 billion in capital for community development projects in Wisconsin. We're proud of the work we do. In the end, it's about positively impacting communities and lives, and our team is always striving to increase our impact, seeking innovative solutions to deliver outcomes. Impact Seven is ready for the challenges at hand and ahead.

Brett Gerber
President and CEO

FUNDERS & INVESTORS

Associated Bank

Bremer Bank

CDFI Fund, U.S. Department of the Treasury

Cinnaire

City of Kenosha, WI

City of Middleton, WI

City of Milwaukee, WI

Community Development Bank

Federal Home Loan Bank of Chicago

HOME Consortium

IFF

Johnson Bank

JP Morgan Chase Bank

MacKenzie Scott

Midwest Minnesota CDC

National Equity Fund

NeighborWorks America

Opportunity Finance Network

Otto Bremer Trust

PNC Bank

Redstone Capital

Time Federal Savings Bank

Town Bank

Tri City National Bank

UnitedHealth Group

USBank

U.S. Department of Agriculture - Rural
Development Administration

U.S. Department of Health and Human Services
- Office of Administration for Children and
Families – Office of Community Services

U.S. Department of Housing and
Urban Development

U.S. Economic Development Administration

U.S. Small Business Administration

Wells Fargo

West Bend Mutual Insurance Company

Wisconsin Department of Administration
- Division of Energy, Housing and
Community Resources

Wisconsin Department of
Workforce Development

Wisconsin Economic Development Corporation

Wisconsin Housing and Economic
Development Authority

PARTNERS

The 30th Street Industrial Corridor Corp.

Aeris

Aging and Disability Resource Center of Barron,
Rusk and Washburn Counties

Anderson Webb, LLC

Barron County ARC

Barron County Economic
Development Corporation

Barron County Job Center (West Central
Wisconsin Workforce Development Board)

Barron County Veterans Service Office

Boys and Girls Club of Barron County

Calumet County Bank

CAP Services

CDFI Coalition

CDFI Fund, U.S. Department of the Treasury

City of Park Falls, WI

Coulecap of La Crosse

Entrepreneur Fund

Forward Community Investments

Forward Service Corporation

Gorman and Company

GROW South Dakota

HKS Holdings, LLC

Housing Authority of the City of La Crosse

The Hunger Task Force of La Crosse

Independent Living Resources

Jefferson County Veterans Service Office

Jefferson County Aging & Disability
Resource Center

Lakeshore Community Action Program

VIA Community Development Corporation

Local Initiatives Support
Corporation - Milwaukee

Lutheran Social Services of Wisconsin and
Upper Michigan

Martin Luther King Junior Economic
Development Corporation

Midwest Minnesota Community
Development Corporation

Milwaukee Area Workforce Investment Board

Milwaukee County

Milwaukee County Housing Division

Milwaukee Economic Development Corporation

NeighborWorks America

Northwood Technical College

Opportunity Finance Network

Rapoza Associates

Regional Business Fund

Rule Enterprises, LLC

Three Leaf Partners

Town Bank

Tomah VA Medical Center

WestCAP

Wisconsin Business Development
Finance Corporation

Wisconsin Council for Affordable and
Rural Housing

Wisconsin Economic Development Corporation

Wisconsin Housing and Economic
Development Authority

Wisconsin Housing Preservation Corporation

Wisconsin SBDC Network

Wisconsin Women's Business
Initiative Corporation

2023 PROJECTS





2360
UNITS 401-406



Woodside Prairie Apartments

In response to a lack of housing options for adults with special needs who need supportive services to live independently, Impact Seven developed an apartment community consisting of 32 apartments affordable to families and individuals with low incomes in the Village of Grafton, Wisconsin, funded in part by Wisconsin Housing and Economic Development Authority's Innovative Housing Set-Aside. Four cooperative living buildings each consisting of six apartments with a common living area and kitchen are set aside for adults with special needs with supportive services provided on site, while 8 townhome-style apartments are available for families. Residents with special needs have the flexibility to select the service provider of their choice. Shared community spaces provide opportunities for residents to interact and participate in group programming, gardening and other common interests. At Woodside Prairie, adults with special needs live full, independent lives in a supportive community setting.





Financial Product Highlight: New Markets Tax Credits

The New Markets Tax Credits (NMTC) program is a valuable community development resource from the US Treasury Community Development Financial Institutions Fund that competitively awards allocations of tax credits to community development entities for the purpose of raising equity to support impactful community development projects. Impact Seven has received \$100 million in NMTCs since 2019. Impact Seven's NMTC investments focus on increasing the availability of healthy foods in food deserts, Wisconsin-based manufacturing and industrial projects with living-wage and accessible job creation, healthcare facilities, high achieving schools serving low-income children, and making catalytic investments in highly distressed communities.

Since 2019, Impact Seven provided \$100 million in NMTC allocations to projects that created or expanded three new grocery stores, a community medical center, five manufacturing facilities, a charter school and a bakery. These projects leveraged an additional \$200 million in investments and created or retained 2,435 living wage jobs in highly distressed communities throughout Wisconsin.



ST. MARCUS SCHOOL
Harambee Campus

MARDAK | VANDENBERG
Campus Gateway



St. Marcus School

St. Marcus School is a high-expectations charter school with three campuses in Milwaukee serving students in kindergarten through eighth grade, with a student population that is 95% African American and 82% low income. St. Marcus students outperform the school district in all subject areas and graduate fully prepared for high school and positioned to excel in higher education. A \$13 million NMTC allocation from Impact Seven allowed St. Marcus to acquire and rehabilitate a school building that will enroll 576 students annually, expanding opportunities for children living in distressed neighborhoods to receive a high-quality education.



WISCONSIN
1848





Lac Courte Oreilles Community Health Center

Impact Seven provided a \$10 million New Markets Tax Credits allocation to support the construction of a \$46 million healthcare facility to house a full-service medical clinic offering primary, dental, behavioral, urgent care and pharmacy services for members of the Lac Courte Oreilles Band of Lake Superior Ojibwe. The Lac Courte Oreilles Community Health Center is located on the Lac Courte Oreilles reservation in Sawyer County, Wisconsin and will directly address health disparities impacting this rural Native American community by providing accessible services with an emphasis on preventative care. The Community Health Center will provide an estimated 38,000 patient visits per year while expanding and improving healthcare access for over 7,000 tribal members.

WAF





Wisconsin Aluminum Foundry

Founded in Manitowoc in 1909, a major expansion of Wisconsin Aluminum Foundry (WAF) leveraged a \$10 million NMTC investment from Impact Seven that will support a major expansion of the manufacturing facility and will create 80 new living-wage jobs. The addition of 50,000 square feet of manufacturing space will expand WAF's production capacity to meet increasing customer demand from a wide variety of industries, from aerospace to medical and more. The project also includes workforce development partnerships that will provide training and supportive services for employees to remove barriers to obtaining and retaining employment.

TOTAL PROJECT COST >>> \$23.1 million





Theatre Terrace Apartments

Impact Seven provided \$13.4 million in direct lending for the construction of a new 61 multifamily apartment development in Kenosha, Wisconsin. This market-rate development came on the heels of several new affordable housing developments in downtown Kenosha, representing an important contribution to growing a mixed-income housing market within a low-income neighborhood and providing needed housing for employees of major national employers headquartered in Kenosha. Communities with housing options affordable to families at a variety of income levels are sustainable, vibrant and strong.

TOTAL PROJECT COST >>> \$18.3 Million

IMPACT HIGHLIGHTS



\$1.17 Billion

*Total Economic Impact
of 2023 Lending*



\$32.6 Million

Direct Loans Closed



\$55 Million

*New Markets Tax
Credits allocated*



1,557

*Affordable Housing
Created or Preserved*



2,435

*Jobs Created
or Retained*



174,421

*Square Footage of
Commercial Real
Estate Financed*



1,684

*Apartments
Managed*



\$3,675

*Annual Household Cost
Savings of Affordable
Housing Residents*



70%

*Loans Previously
Turned Down
by Banks*

2023 FINANCIALS

Consolidated Statement of Financial Position

Total Assets	\$246,917,140
Total Liabilities	\$76,406,424
TOTAL NET ASSETS	\$170,510,716

Consolidated Statement of Activities

Total Revenues	\$33,861,333
Total Expenses	\$19,976,988
Net Income /Loss	\$13,884,345
CHANGE IN NET ASSETS	\$13,819,254

CDFI Highlights

Loan Portfolio	\$59,375,826
Net Charge-Offs as % of Loan Portfolio	0.00%
Loans > 90 Days Past Due (12/31)	\$0.00
Deployment Ratio *	75.0%

* includes Commitments, Real Estate and Other Mission-Related Investments



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FHLBank
Chicago



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