



2020
ANNUAL REPORT



A Letter From Our CEO

Impact Seven has a 50-year history of directing public and private investment to high-impact community and economic development projects, and 2020 stands out as a year that challenged and changed us. The fast-moving ripple effects of COVID-19 on the nation's economy demanded an equally quick response from Impact Seven as many small businesses closed their doors and working families suddenly lost jobs. We worked closely with our borrowers and affordable housing residents to tailor payment plans to accommodate their individual circumstances, and our partnerships with NeighborWorks America, the Federal Home Loan Bank of Chicago and the Wisconsin Economic Development Corporation provided nearly \$300,000 in funds to pass through to provide temporary payment relief for our borrowers and residents impacted by COVID-19.

Despite 2020's economic recession, Impact Seven closed over \$23 million in loans to borrowers who invested in diverse community economic development projects that resulted in over \$294 million in total economic impacts throughout Wisconsin. This record year of production created or preserved 379 affordable apartments, 817 jobs and nearly a quarter million square feet of commercial real estate. Impact Seven's borrowers build and maintain the places where the dynamic processes of community occur.

In 2020, our work was further bolstered by a \$45 million New Markets Tax Credit award that will allow us to attract valuable equity investments which will bring job-creating manufacturing facilities and healthy foods to food deserts in highly distressed neighborhoods throughout Wisconsin.

Our housing investments in 2020 included loans to a major developer to produce 145 affordable and market-rate apartments in Madison and rural Sun Prairie. Our own development team pursued the acquisition of the Lakeview Terrace Apartments in Mukwonago, a small, rural town in southeastern Wisconsin, ensuring that it will remain affordable for residents who are elderly or disabled. Finally, we began construction on The Trotta, 126 apartments in Middleton that will be affordable for working families.

Community development is a multi-faceted process, requiring the collaboration of many actors to establish a local vision and ultimately to marshal the resources necessary to achieve goals, solve problems and respond to crises like the COVID-19 pandemic. Impact Seven is the partner that communities rely on to provide the financial capital and knowledge necessary to catalyze community economic development in Wisconsin.

Brett Gerber
President and CEO

FUNDERS & INVESTORS >>>

Associated Bank
CDFI Fund, U.S. Department of the Treasury
Chippewa Valley Bank
Cinnaire
City of La Crosse, WI
City of Middleton, WI
City of Milwaukee, WI
Community Development Bank
Federal Home Loan Bank of Chicago
IFF
Johnson Bank
JP Morgan Chase Bank

Midwest Minnesota CDC
Monona Bank
National Equity Fund
NeighborWorks America
Opportunity Finance Network
Otto Bremer Trust
PNC Bank
Time Federal Savings Bank
Town 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
Wisconsin Department of Administration - Division of Energy, Housing and Community Resources
Wisconsin Economic Development Corporation
Wisconsin Housing and Economic Development Authority

PARTNERS >>>

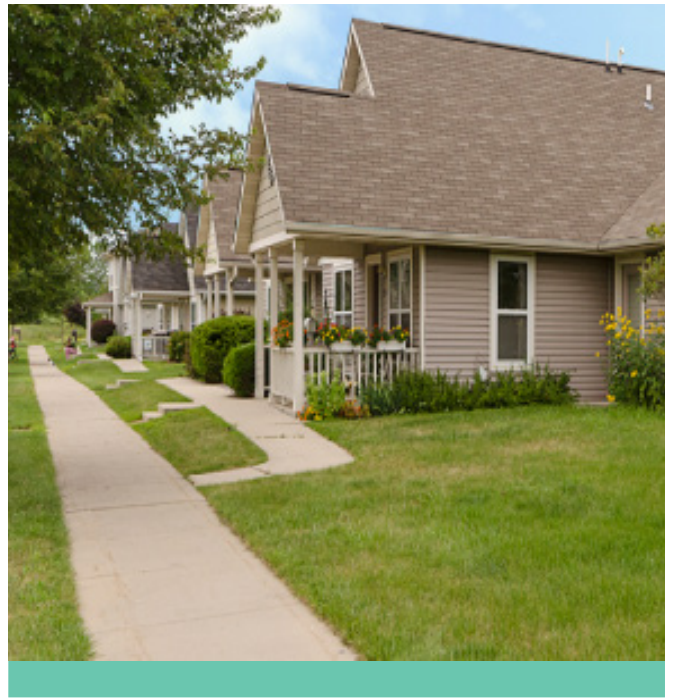
The 30th Street Industrial Corridor Corp.
Aeris
Aging and Disability Resource Center of Barron, Rusk and Washburn Counties
Anderson Webb, LLC
Ashland Area Development Corporation
Barron County ADRC
Barron County Economic Development Corporation
Barron County Job Center (West Central Wisconsin Workforce 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
Couleecap of La Crosse
Conrath Housing, Inc.
Endeavor Corp
Entrepreneur Fund
Forward Community Investments
Gorman and Company

Greater Wisconsin Opportunities Fund
GROW South Dakota
Have-A-Heart, Inc.
HKS Holdings, LLC
Homes for Independent living
Housing Authority of the City of La Crosse
The Hunger Task Force of La Crosse
Independent Living Resources
Indianhead Community Action Agency
Jefferson County Veterans Service Office
Jefferson County Aging & Disability Resource Center
Lakeshore Community Action Program
Layton Boulevard West Neighbors
Local Initiatives Support Corporation - Milwaukee
Lutheran Social Services of Wisconsin and Upper Michigan
Martin Luther King Junior Economic Development Corporation
MetroPlains, LLC
Midwest Minnesota Community Development Corporation
Milwaukee Area Workforce Investment Board
Milwaukee County

Milwaukee County Housing Division
Milwaukee Economic Development Corporation
Minocqua Associates
NeighborWorks America
Opportunity Finance Network
Rapoza Associates
Regional Business Fund
Rule Enterprises, LLC
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 SBDC Network
Wisconsin Women's Business Initiative Corporation

2020 PROJECTS





Uplands Homes

40 Affordable Apartments

Uplands Homes is an existing affordable rental housing development in Sun Prairie consisting of single-family homes and duplexes, several of which were designed for individuals with disabilities, that was developed and owned by Wisconsin Partnership for Housing Development and two other local non-profit organizations. Sun Prairie is a rural community that is located within the greater Madison housing market which has seen high growth in demand, resulting in rising housing costs. Impact Seven's loan is the sole source in the project and will ensure that this rental housing will remain affordable for residents with low incomes.

**TOTAL
PROJECT COST**
**\$1.47
Million**



OOGA Brewing Company

Beaver Dam, WI

Ooga Brewing represents an investment in the revitalization of downtown Beaver Dam by a local couple who have a goal to create community amenities that make Beaver Dam a desirable place to live and work. The brewery utilizes local products and encourages customers to order in food from nearby restaurants to provide a sustainable source of customers for other downtown businesses. The development was made possible by a loan from Impact Seven for the acquisition and construction of the building.





The Nexus at Union Corners

105 Housing Units

The Nexus is the culmination of a multi-phase revitalization of a blighted vacant corner in the City of Madison by Gorman & Company, a Wisconsin-based developer. Known as Union Corners, the mixed-use development includes a University of Wisconsin health clinic, affordable rental housing, restaurants, retail, and walkable green space. The Nexus adds 105 apartments to the neighborhood to meet the ongoing high demand for housing in Madison, while contributing to economic diversity in a mixed-income community.

**TOTAL
PROJECT COST**
**\$30.3
Million**

**IMPACT SEVEN
INVESTMENT**
**\$2
Million**



Woodbury Bank Branch

Woodbury, MN

When a large bank merger resulted in over twenty branch locations being closed and offered for sale across Wisconsin and Minnesota, a Milwaukee-based development group saw opportunity. The group approached the painstaking work of finding and implementing the best and highest use of each site on an individual basis, resulting in the redevelopment of community assets best suited to meet local needs. Impact Seven provided a sole source loan for the purchase and improvements of a location in Woodbury, Minnesota that was transformed into a Spanish immersion early learning academy, offering rigorous early Spanish literacy, culture, arts, science, math, healthy lunch and snacks, and before and after school enrichment for children in pre-school through kindergarten.

**TOTAL
PROJECT COST**
\$575,000



The Trotta

126 Apartments

The Trotta was developed by Impact Seven in response to high demand for housing affordable to working families in the greater Madison area. Ineligible for low-income housing but priced out of the luxury housing that has been rapidly added to the market, families in the workforce increasingly face challenges to finding safe, affordable apartments in the Madison market. The Trotta provides housing that teachers, firefighters, military veterans and young professionals can afford, conveniently located in the suburb of Middleton. Financing was provided by Town Bank and Monona State Bank, with additional support from the City of Middleton.

TOTAL
PROJECT COST
**\$24
Million**

New Markets Tax Credits

Quality jobs. Access to healthy foods. Blighted infrastructure improvement. These are the catalysts for community development and renewal made possible when communities and their stakeholders have access to affordable, flexible financial tools. In 2020, Impact Seven received a \$45 million New Markets Tax Credits (NMTC) award from the US Department of the Treasury CDFI Fund, representing a substantial investment of private investor equity into community development projects throughout Wisconsin for manufacturing, healthy foods financing in food deserts and small business start-ups and expansions. Businesses with high job creation potential are prioritized, and all projects are located in highly distressed census tracts.

At the end of 2020, Impact Seven had closed \$13.2 million in two NMTC transactions for a grocery store in a food desert and a high-tech manufacturing facility. From loans for catalytic urban revitalization projects to rural manufacturing, Impact Seven's NMTC investments build community throughout Wisconsin.

2020 FINANCIALS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	\$
Total Assets	202,178,234
Total Liabilities	60,396,330
TOTAL NET ASSETS	\$141,781,904

CONSOLIDATED STATEMENT OF ACTIVITIES

	\$
Total Revenues and Non-Operating Activities	30,134,464
Total Expenses	18,523,106
CHANGE IN NET ASSETS	\$11,611,358

CDFI HIGHLIGHTS

Gross Loans Receivables	\$58,669,026
Net Charge-Offs as % of Loan Portfolio	0.33%
Loans > 90 Days Past Due (12/31)	\$106
Managed Loan Portfolio	\$193,426,116
Deployment Ratio*	78.5%

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



IMPACT HIGHLIGHTS



\$294 Million

*Total Economic Impact
of 2020 Lending*



\$23 Million

Loans Closed



817

*Jobs Created
or Retained*



379

*Affordable Housing
Apartments Created
or Preserved*



1,300

*Affordable
Apartments Owned*



400,696

*Square Footage of
Commercial Real
Estate Financed*



\$5.02 Million

*Total Annual Household
Cost Savings of
Affordable Housing
Residents*



\$393,073

*COVID-19 Emergency
Relief Funds
Disbursed*



28

*Number of Businesses
Assisted with COVID-19
Relief Funds*



2961 Decker Drive, Rice Lake, WI 54868



ImpactSeven.Org



Impact@ImpactSeven.Org



715.434.1717



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