



2023

# Annual Report



## Letter from the President

The affordable housing crisis in our nation continues, with 2023 data indicating it was the least affordable year on record. While the challenges in larger urban centers are widely recognized, the struggles faced by rural communities often go unnoticed.

Small cities face unique obstacles when addressing this crisis, which have only grown in the years following the pandemic. As more people have relocated, development in rural areas has not kept pace. Construction costs are higher, private investment is harder to attract, and accessing credit is more difficult.

Although we identify and acknowledge the magnitude of the crisis, there is also reason for hope. That's why NewWest Community Capital, along with individuals and organizations like you, are working together to finance and develop projects throughout the Intermountain West. We know that one organization cannot solve the housing crisis, especially in rural areas lacking financial resources and other assets. It takes Doers—people on the ground—to bring these projects to life.

NewWest is a Doer: nimble, responsive, and collaborative. Our flexibility allows us to create tailored solutions that meet the unique needs of each community we serve. Today, I'm excited to share with you our annual report, which highlights our achievements from 2023. These stories reflect the collective effort to support affordable housing and community development in the places that need hope most.

**Dutch Haarsma, President**





A scenic landscape featuring a range of mountains under a sunset sky. The foreground shows a field with sparse vegetation and a small town with several houses. The middle ground is dominated by a dense forest of evergreen trees. The background consists of rugged, rocky mountain peaks. The overall color palette is a mix of warm sunset tones and cool blues.

# 786

Affordable housing units financed

2023

# Impact

# \$218,048,651

Leveraged in financing from other sources

# \$19,782,500

Loans closed and committed





## Northern Nevada Community Housing - Taking Care of the Nevada Community

Northern Nevada Community Housing (NNCH) was founded in 1989 to meet the housing needs in northern Nevada. The nonprofit, community-based service organization develops, owns, and manages high-quality affordable housing coupled with supportive services for those most in need. The current housing crisis has kept NNCH busy, with their most recent efforts focused on preserving a property in Reno called Trembling Leaves and a new construction development, Eagles Landing Apartments, in Carson City.

Located near Idlewild Park, the Trembling Leaves Apartments offers 27 affordable homes for families earning \$50,000 or less per year. A mix of one- and two-bedroom units, the development is convenient to downtown employment, services, schools, and shopping.

Trembling Leaves is an established development in a mature neighborhood. However, when it comes to developing new properties, NNCH faces the challenge of finding real estate zoned large enough for a new community. Also, locating land that is reasonably priced and near community essentials such as grocery stores, local bus routes, and more is increasingly difficult. When NNCH was able to find just this type of land for sale, NewWest provided part of the financing for the land which led to making Eagles Landing a reality.







Eagles Landing is a planned veterans-preference, workforce housing, and multifamily development providing home for 96 individuals and families. Overall, rents will be 48% below market with priority given to veteran households.

And providing housing is not an isolated issue. One of NNCH's biggest challenges in 2023 was finding emergency rental assistance for residents who have experienced a hardship—this could be a job loss, major medical expense, or a vehicle that no longer runs. NNCH helps residents create payment arrangements, locate financial aid, and uncover resources within the community to assist.

NNCH's expertise and passion for helping those most in needs is evident in all of its properties and related work. NNCH has partnered with NewWest for the past 20 years, obtaining financing for various projects in all phases of development. Without access to the low interest rates and support NewWest provides, NNCH has said it would not be able to continue its critical work, serving the underserved in northern Nevada communities.



**“Our development team is tight, all local, and we care very much about our community. We care about Nevada, and we care about Carson City.”**

-Matthew Fleming, Executive Director, NNCH

From left to right: Cristy Costa, Human Services Director; Kirsten Menshew, Property Management & Human Resources Director; Troyce Menshew, Maintenance Director; Matthew Fleming, Executive Director; Jocelyn Kendall, Deputy Executive Director & CFO



**“We’re proud to implement solar energy systems that will improve the property’s resiliency and sustainability.”**

-Ben Taylor, Vice President and Project Partner



## Working Families in Arizona to Receive an Affordable Housing Boost

“Cottonwood Ranch will provide affordable and resilient housing for Casa Grande families who face high rental costs in one of the nation’s fastest-growing areas,” said Lincoln Avenue Communities (LAC) CEO Jeremy Bronfman when announcing the development. The families who could eventually call Cottonwood Ranch home may be employed by the area’s second largest employer Walmart, with 2,400 on staff. In Arizona, most of Walmart’s employees earn \$59,000 per year or less, which is 60% of Area Median Income (AMI).

Casa Grande is in Pinal County approximately 40 miles south of downtown Phoenix, halfway between Phoenix and Tucson. Casa Grande’s population doubled from 2000 to 2021, reaching nearly 60,000, and growth is projected to keep increasing at an annual rate of 1.8%. Seeing the skyrocketing need, developer LAC stepped in with support from NewWest.

LAC purchased 15 acres for its Cottonwood Ranch Apartments with a loan from NewWest. Upon completion in 2025, this family development will provide 300 homes, ranging from two to four bedrooms in size, for families earning less than 60% of the Area Media Income (AMI). Several services will be offered onsite, along with amenities such as a pool, fitness center, yoga studio, clubhouse, and dog park. And a rooftop and carport solar system will help offset a predicted 70% of the development’s electricity usage. Ben Taylor, Vice President and Project Partner, added “We’re proud to implement solar energy systems that will improve the property’s resiliency and sustainability.”



# Committing Capital to Rural Communities

## New complex in Kalispell provides affordable housing for seniors

Far too many rural renters today live in expensive, overcrowded, and substandard homes. Because of high poverty levels, lower incomes, and increased infrastructure costs, many rural communities struggle to provide residents with accessible, affordable rental homes. What's worse, for decades, federal programs to invest in affordable housing in rural America have been chronically underfunded. "There are often gaps in the ability to seek investment and the availability of investment capital needed for community and economic development," says Dutch Haarsma, President. "Rural communities need access to capital in order to thrive."

It's no secret that rural areas are key economy boosters: This is where much of our food comes from, where lumber and other products are sourced, and where energy is supplied. NewWest understands that the lack of quality, affordable housing is directly tied to a rural community's ability to grow. Lack of housing in these areas makes it difficult to provide living space for seniors, retain youth, and recruit a workforce for local businesses. Public-private partnerships, local leadership, and intentional actions are needed to increase resiliency.

## Making a difference in Kalispell

Since 2010, Kalispell, Montana, has seen a 30% population increase, 36% of which was driven by seniors 55 and older. To bring more housing to this demographic, NewWest has committed capital for Creekside Commons, a one-acre senior affordable housing complex. The development features 31 apartments, a lounge area, library, craft room, exercise area, and an outdoor patio. Creekside Commons is located next to the Gateway Community Center, which includes the United Way, AARP, Flathead Food Bank, and Volunteer Income Tax Assistance. A grocery store, park, and medical facilities are also nearby.





## A Thank You to Our Investors

Founded in 2000 and ever evolving to meet the changing needs of our communities, we at NewWest strive daily to deliver flexible financing for critical community development projects throughout the West. And we can only fulfill on our promise to provide affordable housing and services to those who need them most with the help of our investors. With your support, NewWest has grown into a \$45 million intermediary nonprofit organization that delivers loans and technical assistance to organizations that develop housing, community facilities, essential health and human services, and community revitalization efforts. While we're proud to showcase the successes we've helped make happen for many lives in many communities, we're also humbled knowing we only achieve this important impact together. **Thank you.**





## Assets 2023

### CURRENT ASSETS

Cash and Cash Equivalents, Unrestricted	\$14,671,451
Cash and Cash Equivalents, Reserve Accounts	\$252,779
Restricted Cash, CMF Assistance	\$1,100,000
Accrued Interest Receivable	\$ 83,623
Prepaid Expenses	\$7,951
Current Portion of Notes Receivable	\$4,835,558

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**TOTAL CURRENT ASSETS** \$20,951,362

### PROPERTY AND EQUIPMENT

Equipment	\$5,204
Less: Accumulated Depreciation	(\$5,204)

### OTHER ASSETS

Notes Receivable, Net of Current Portion	\$25,539,775
Allowance for Loan Loss	(\$1,117,911)

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**TOTAL NET NOTES RECEIVABLE** \$24,421,864

Investment in Federal Home Loan Bank, Des Moines	\$118,800
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**TOTAL OTHER ASSETS** \$24,540,664

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**TOTAL ASSETS** \$45,492,026

## Liabilities and Net Assets

### CURRENT LIABILITIES

Accounts Payable	\$48,114
Accrued Interest Payable	\$130,002
Payroll Liabilities	\$4,820
Reserve Accounts	\$252,779
Current Portion of Long-Term Debt	\$1,300,000

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**TOTAL CURRENT LIABILITIES** \$1,735,715

Long-Term Debt, Net of Current Portion	\$29,981,000
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**TOTAL LIABILITIES** \$31,716,715

### NET ASSETS

Without Donor Restrictions	\$12,675,311
With Donor Restrictions	\$1,100,000

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**TOTAL NET ASSETS** \$13,775,311

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**TOTAL LIABILITIES AND NET ASSETS** \$45,492,026

# Financials



## Expanding Our Team

NewWest was honored to welcome new board member Arturo Perez and loan specialist Tammy Hodges to the team in 2023.

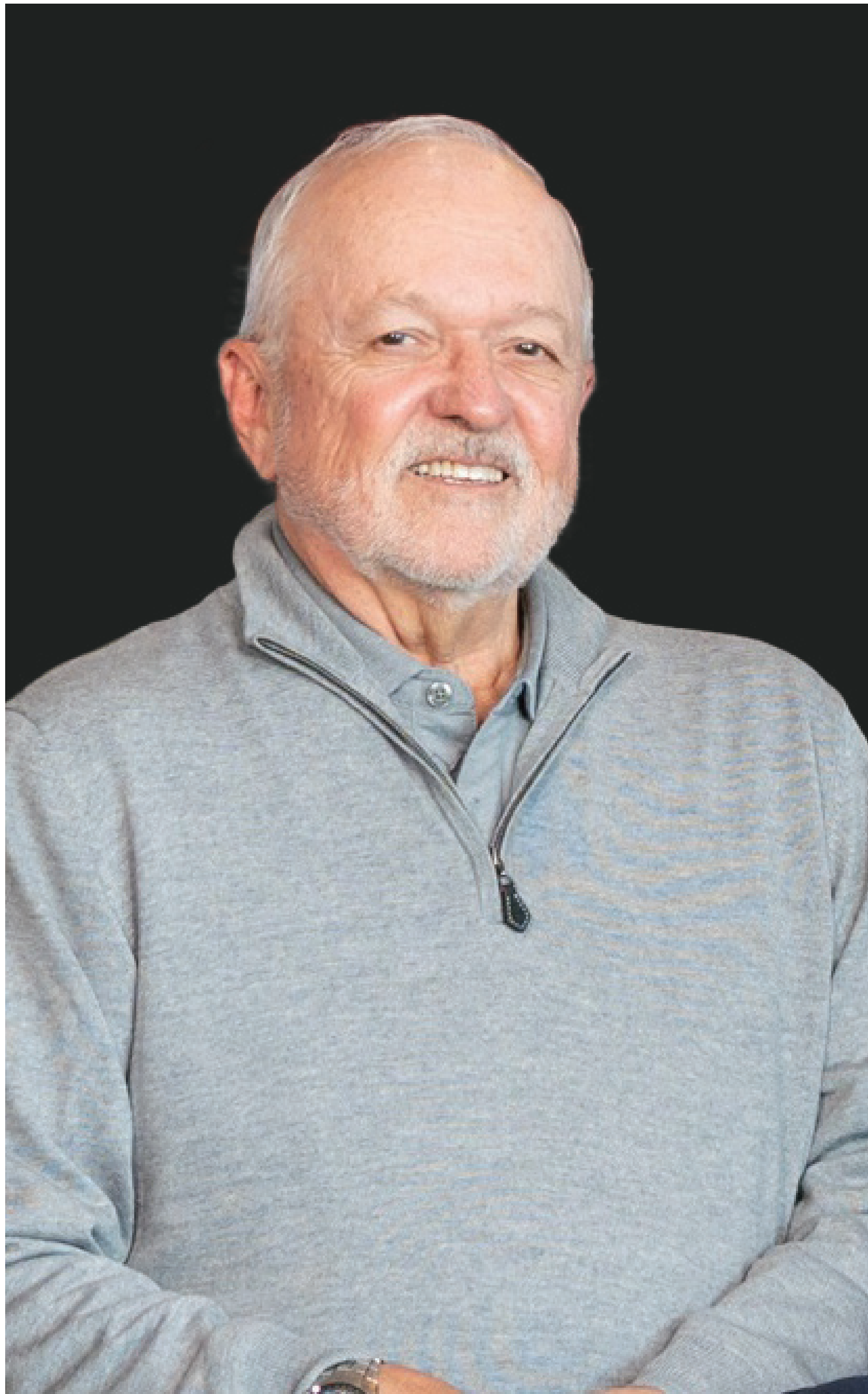
Arturo brings 40 years of financial expertise to NewWest and currently leads U.S. Bank's corporate social responsibility (CSR) efforts across 10 states (from New Mexico to Washington). One of his primary passions is to ensure capital is invested and deployed in a manner that elevates communities which are most at risk. With extensive community development and nonprofit board experience, Arturo also serves on the Arizona Community Reinvestment Collaborative, Earn to Learn, Junior Achievement, and he is a former chair for Trellis, an affordable housing organization.

Tammy is an expert in loan support functions, such as communication with borrowers, coordination of closings, processing draw requests, and monitoring and reporting. Based in Phoenix, she covers the entire NewWest territory. Tammy understands the unique needs of the nonprofit sector, bringing expertise with conventional, Federal Housing Administration (FHA), Jumbo, and Veterans Affairs (VA) loan processing.

Thank you to Arturo and Tammy for adding their experience and expertise to the team, further strengthening NewWest's ability to deliver on our mission to serve the underserved.







## Tribute to Lyman

### **Celebrating the life of Lyman Joseph Frost**

February 28, 1943 – October 13, 2023

Lyman Frost was a founding Board member and early investor in NewWest Community Capital, advancing entrepreneurship endeavors and advocating for affordable housing throughout the West for more than 20 years.

Lyman's passion was science, technology, and outdoor recreation, all contributing to his educational, business, and philanthropic pursuits. His entrepreneurial spirit and connections were foundational to NewWest's success. He had an amazing ability to connect NewWest to mission-driven investors and to start-up or expanding small businesses, resulting in furthering NewWest's mission of increasing access to capital for underserved communities.

We at NewWest are endlessly grateful to Lyman for his dedication to advancing science and seeking to improve the human condition up to the very last moments of his life. Thank you, Lyman, for your passion and commitment to bettering us all.



