

## Message from the Executive Director

In 2006 PRG celebrated 30 years in the business of creating quality, affordable homes that benefit families and neighborhoods. For three decades, we've persevered, even in very challenging times, and found solutions where, many times, others could see none. We've stood by neighborhoods and community groups working toward thriving communities, and the payoff has been greater opportunity for all. To mark three decades in this work is an accomplishment of which we are proud.

But as much as an anniversary provides the opportunity to reflect on the past, 2006 was a year of looking forward, as well. Our board of directors and staff participated in a comprehensive planning process to create a strategic plan for the next three years. With the new plan as a framework, PRG will continue its engagement with and commitment to quality, affordable housing and homebuyer education in the Twin Cities.

The plan points to growth and change for each of our programs: expansion of our housing development program into new markets with many new partners; broadening of our homebuyer education and counseling program to include post-purchase services; and finding a new owner for our 87 units of affordable family rental and cooperative housing so that we can focus our resources where they are most effective.

I'm happy to present this annual report as a record of our progress over the past year as well as a way to recognize those whose partnership has contributed to it. We're pleased to see the list of supporters growing longer each year, and we thank you for your dedication to creating quality homes that families can afford and neighborhoods can be proud of.



David M. Rubedor  
Executive Director

## Partners, Friends and Donors

We extend our genuine thanks to all whose commitment to affordable housing has enriched our work in 2004. Your generosity builds stronger families, neighborhoods, and communities.

### Support for General Operating, Homebuyer Education and Counseling, and Rental and Cooperative Housing

Bremer Bank  
Greater Twin Cities United Way  
Kopp Family Foundation  
McKnight Foundation  
Piper Jaffray Foundation  
Star Tribune Foundation  
Target  
TLR/Thomson West  
Thrivent Financial for Lutherans Foundation  
Twin Cities Local Initiatives Support Corporation (LISC)  
U.S. Bank  
Wells Fargo Foundation on behalf of Wells Fargo Home Mortgage, Minneapolis, MN

### Individual Donors

Timothy R. Berardinis  
David Berkowitz  
Anastasiya Berler  
Matthew W. Lasley  
Stephanie L. Lee  
Karen Skaja  
Brianna Tushaus  
Jean A. Wassenaar

### Homebuyer Workshop Volunteers

Emily Green  
Staci Horwitz  
John Loomans  
Nathan Marsten  
Stephanie Oyen  
Pat Paulson  
Liz Peter  
Ella Ritzman  
Peggy Ryan  
John Trostle  
Jeff Washburne

## Other Volunteers

Dick Haines, photography

### Capital Funding for Housing Development

Greater Metropolitan Housing Corporation  
Hennepin County  
Local Initiatives Support Corporation  
Metropolitan Council  
Midtown Phillips Neighborhood Improvement Association, Inc.  
Minneapolis Department of Community Planning and Economic Development  
Minnesota Housing Finance Agency  
Neighborhood Revitalization Program

### Office Art

Onnalee Graham  
Juxtaposition Arts  
Ellen Wold

### In-Kind Donations

Abbott Northwestern Hospital, workshop space  
KMOJ Radio, Come Home for Lunch sponsorship

### Other Partners

Alliance Housing  
City of Lakes Community Land Trust  
Community Involvement Programs  
CommonBond Communities  
Don't Borrow Trouble Campaign  
East Phillips Improvement Coalition  
GLBT Generations  
Dave Hanson, Realife, Inc.  
Hawthorne Area Community Council  
Heritage Park Housing, LLC  
Home Ownership Center and other network providers  
Jordan Area Community Council  
Local Initiatives Support Corporation (LISC)  
Midtown Phillips Neighborhood Improvement Association, Inc.  
Minneapolis Urban League

Neighborhood Housing Services of Minneapolis  
Pillsbury United Communities—Fathers and Children Together (FACT) Program and Step Forward Program  
Spirit of the Lakes U.C.C.  
Stairstep Foundation  
Twin Cities Habitat for Humanity  
Suzy Wheeler, Family Means

### Board of Directors

Sharon Boswell  
Nan Connor  
Gary Ellis  
Ned Foster  
Chris Gams  
Justo Garcia  
Peter McLaughlin, *Honorary Board Member*  
Janie Randall  
Mark Schoenbaum  
Mark Scholtes  
Regina Walker  
Jean Wassenaar  
Erich Wunderlich

### Staff

Bill Alvord, *Financial Manager*  
Stacey Bostwick, *Mortgage Counselor / Program Manager*  
Erin Green, *Homebuyer Counseling Assistant / Marketing Agent*  
Tina Jackson, *Co-op and Asset Manager*  
Vanessa Levingston, *Housing Development Coordinator*  
Paul McCluskey, *Administrative Assistant*  
David Rubedor, *Executive Director*  
Sarita Turner, *LISC Careership Intern*  
Kathy Wetzel-Mastel, *Project Manager*  
Carrie Williams-Noren, *Communications Manager*  
Douglas Wise, *Project Coordinator*

2006 Annual Report



## Program Progress

Statistics and stories give a glimpse of PRG's work in 2006.



For PRG's **affordable housing development** work, it was a year of beginnings. We started offering pre-construction sales of the Emerson Townhomes

(12 units in the Heritage Park development) and the Franklin Station Condominiums (36 units at 24th and Bloomington in south Minneapolis). We also began accepting reservations for units in the Spirit on Lake Housing Cooperative, housing on Lake Street for GLBT seniors. And, in partnership with Community Involvement Programs (CIP), we started construction for a 16-unit supportive housing development in Minnetonka for adults with mental illness.

We also moved forward with pre-development at two north Minneapolis locations: the Block 009 redevelopment in the Hawthorne neighborhood in partnership with CommonBond Communities, and a 15-unit in-fill and

rehab project in the Jordan neighborhood.



Our homebuyer education and counseling program served 191 households in



Education and counseling from PRG helped Kim Lutes figure out what she could afford and gave her the confidence to purchase her first home.



monthly homebuyer education workshops and 126 families in free counseling. And we initiated a new set of partnerships to create culturally appropriate workshops and outreach methods to address the unique home buying concerns of African American, Latino, and Native American households.

The homebuyer education and counseling program focuses on reaching the populations that benefit most from our services: This past year, 19% were first-generation homebuyers, 46% were households of color, and one quarter had incomes below 50% of the area median.



It was a year of change for our **asset management** of affordable family rental housing. After extensive discussions among board and staff members, we finalized the decision to seek a new owner for our 87-unit

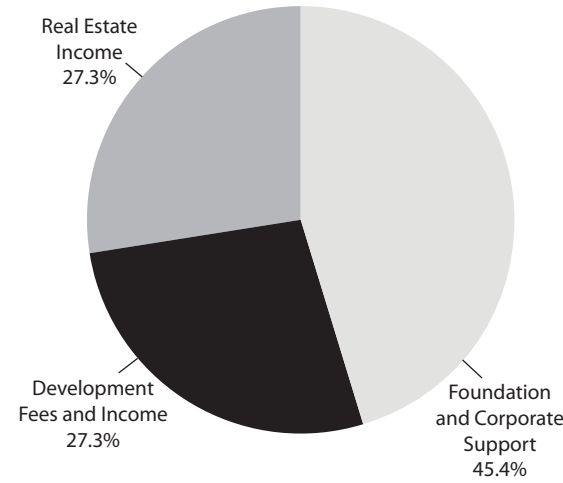
portfolio, and we began negotiations with CommonBond Communities for the transfer of the entire portfolio. This was a difficult decision; these cooperative and rental units have been close to the heart of PRG for decades, but the change is in the best interest of their long-term affordability as well as the opportunity for PRG's other programs to continue thriving.



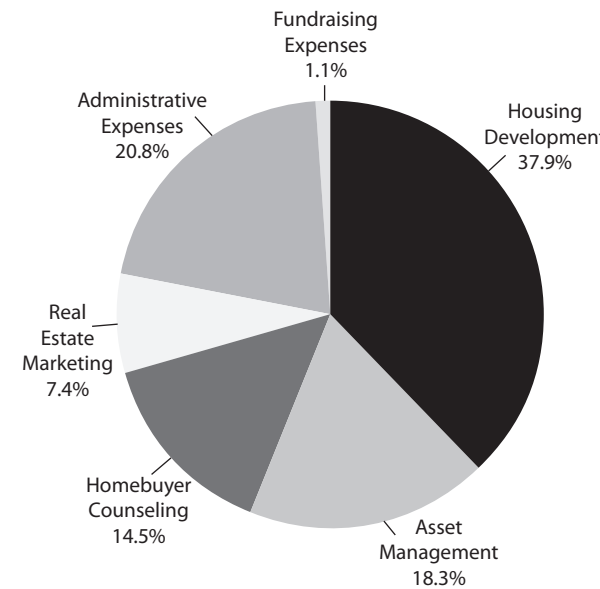
At our 30th anniversary party, friends and supporters gathered to celebrate quality homes that families can afford and neighborhoods can be proud of.

## Statement of Activities

### Support and Revenue



### Expenses



## Financial Report

(in thousands)

### Statement of Net Assets

Working Capital	\$246
Investments in Partnerships/Corporations	0
Investments in Tax Increment Financing Notes	267
Investments in Contracts for Deed	395
Net Property and Equipment	238
Long-Term Debt	<u>-398</u>
<b>Total Net Assets</b>	<b>747</b>

### Support and Revenue

Foundation and Corporate Support	254
Development Fees and Income	153
Investment and Other Income	<u>153</u>

Total Support and Revenue 560

### Expenses

Housing Development	239
Asset Management	116
Homebuyer Counseling	92
Real Estate Marketing	<u>47</u>
<b>Total Program Expenses</b>	<b>494</b>

Administrative Expenses	132
Fundraising Expenses	<u>7</u>

Total Expenses 632

Change in Net Assets -\$72

*These numbers represent operations of the PRG Housing Development Fund only. Because of new accounting rules, however, our audit report for the first time includes our five limited partnerships. Since we are in the process of divesting those properties as well as the three we own outright, we decided to show the Housing Development Fund separately, both in the supplemental information to the audited financial statements and in this Annual Report. When the divestment is completed later this year, PRG will consist only of our Housing Development Fund.*

**Our mission is to provide**

**quality, affordable housing and**

**related services that contribute**

**to neighborhood stability and**

**family self-sufficiency.**



2006 Annual Report  
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