



# 2021 ANNUAL REPORT





# PRG transforms homes, neighborhoods and lives.

PRG has been a trusted nonprofit organization in Minneapolis since 1976. We serve the seven-county Twin Cities metro area.

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We combine community-based affordable housing development with education and advising to help all people and neighborhoods thrive.

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PRG envisions a future in which all people have equal access to homes that fit and all neighborhoods are places of opportunity.

# Dear Friends and Supporters

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We all know that we have some of the worst racial disparities in the nation, 77% of white Minnesotans own their homes while only 25% of Black Minnesotans do.

And 2021 was chock full of new challenges too. Here are just a few:

- Soaring construction costs: In the fall of 2019, a 4' x 8' sheet of oriented strand board cost \$10. Today, it costs \$50. The average PRG home build requires 250 sheets.
- Breathtaking home price escalation: a 19% increase from the end of 2019 to the end of 2021.
- Historically low inventory: There are now more Realtors than properties on the market. Need we say more?
- Unprecedented institutional investor activity in the single-family market. According to the Federal Reserve, nearly one-quarter of all single-family homes in some areas of North Minneapolis are owned by investors.

This environment makes our work more important than ever, calling for great creativity and perseverance. So, we did as we have always done and rolled up our sleeves. We helped existing BIPOC homeowners stay in their homes despite financial hardship and at the same rate as white homeowners. We bridged the growing gap between what people can afford versus the market value by getting even more creative in stacking multiple sources of buyer assistance. Sometimes as many as four or five sources. And because we know that targeted homebuyer education and buyer assistance will not close the gap if there isn't anything to buy, we were able to keep our construction projects viable by purchasing building materials, not when needed, but when our in-house, lumber futures analyst (AKA project manager Kevin), sees that prices are forecasted to go up significantly.

Yet, despite all the important work laid out in this report, it is clear that it will take both many organizations doing complementary work and significant changes in public policy to eliminate the racial disparity. So, with your support, we will continue to invest organizational resources to bring this important work to scale.

In partnership,

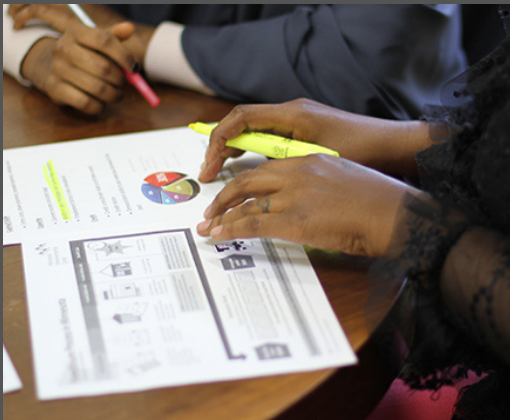
Kathy Wetzel-Mastel  
Executive Director

Corina Serrano  
Board Chair

# Homebuyer Programs



As one of the state's largest providers of prepurchase education and one-on-one advising, we helped 1051 people along the path to successful homeownership in 2021. Of these clients, 76% were under 80% AMI.



## Foreclosure Advising

The importance of home has never been more clear. We work hard to keep people in their homes, especially BIPOC homeowners, since we know it is a critical part of solving the racial homeownership gap. In 2021, 100% of closed cases resulted in avoiding foreclosure.

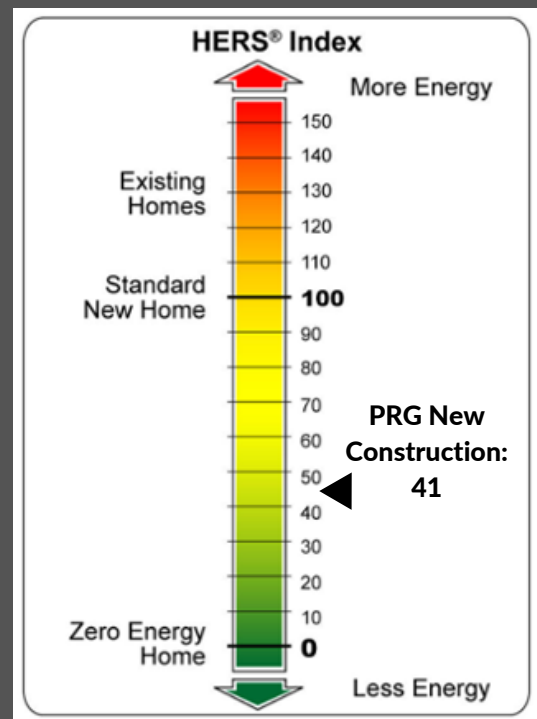
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## Affordable Housing Development

Right now, one of the biggest barriers in reducing the racial homeownership gap is the lack of affordable, entry-level inventory, so we're using our development expertise to address the shortage. Our home designs are Energy Star Rated with a HERS index well below the standard newly built home, giving our homeowners an annual savings of \$2,909.

## Public Policy

Increasingly, we use our "boots on the ground" knowledge to influence public policy at the state and local levels. Too often, those tasked with creating policy are far too removed from the issue they are trying to address. Our commitment of staff time and organizational resources is aimed at addressing that deficiency.





# 2021 By the Numbers

Homebuyer  
Workshop Attendees

408



92% Attended before signing  
a Purchase Agreement

70%

BIPOC Households

Homebuyer  
Advising Clients

78%

BIPOC Households

643



77%

Less than 80% AMI

Foreclosure Prevention  
Advising Clients

88



100% Resolved cases  
Avoided Foreclosure

53%

BIPOC Households

Real Estate  
Development  
New Homeowners



100% BIPOC Households

75%

Historically Black  
Households



## New Homeowner Spotlight: **Cheryl Daniel**

Nearly 25 years ago, Cheryl was swindled by a house flipping scam that left her and her three kids homeless and living in a shelter. They eventually found an apartment, but that experience kept her from seeking homeownership again for a long time. She says, "I thought I would never want to buy a home again. That was just it."

Cheryl didn't like apartment living, "I always wanted a home with a front yard, a back yard". So eventually she rented a single-family home across the street from a park where her grandchildren played. But it still wasn't hers. She decided to try for homeownership

again. Cheryl was paired up with Homeownership Advisor Erin Wilson who helped her walk through the steps of getting her credit right and paying off old debts. She says, "I didn't know what I was doing. Without PRG, I wouldn't have made it that far."

Cheryl didn't just face the challenges of working on her credit and paying off debt. In her first search for a home of her own, her mortgage loan application was denied. Erin says this loan officer didn't want to do the hard work of gathering resources and all the information as the loan amount would be relatively small. Cheryl was on SSI and had worked her part-time job for several years, both were steady income sources. She always paid her rent on time. Cheryl also had built her credit scores up into the 700's. Erin says, "when Cheryl was verbally denied by the original lender, as you can imagine, she was upset and deflated, but as her advisor, I knew she was mortgageable and the real trick would be to find a loan officer that cared enough to help and put all the pieces together."

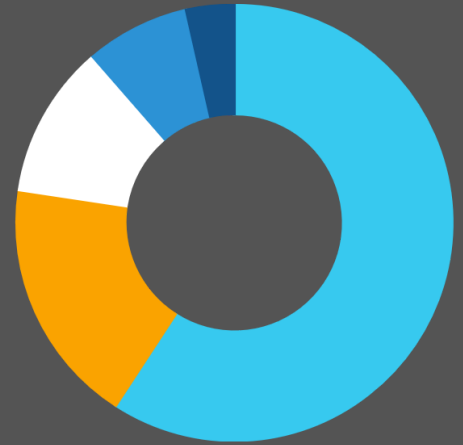
Months later, her landlord offered to sell her the house that she was renting. Erin connected her with one of PRG's loan officer referral partners that shares our commitment to narrowing the racial homeownership gap and the team worked together to get Cheryl every bit of assistance possible to make her home affordable.

"I'm an official homeowner now! It felt really good to learn that I could be a homeowner," Cheryl says. She's now paying less in her mortgage payment than her former rent payment on the same home. "It feels good to have stability and that the grandkids and my children can have a place that they call home."

# 2021 Financials

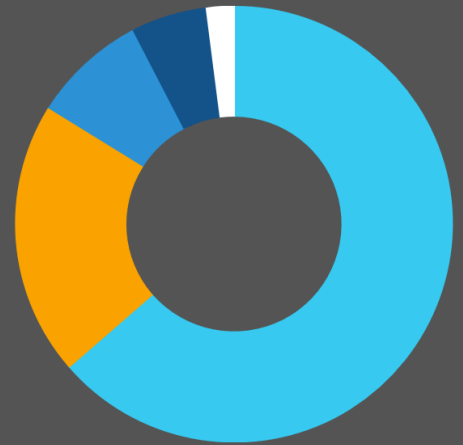
## Revenue

■ Sale and Subsidy of Homes	\$1,435,623
■ Homeownership Services	\$443,194
■ Real Estate Development	\$191,680
■ Individual, Foundation, & Corporate Support	\$271,788
■ Small Business Administration PPP	\$85,900
Total Revenue	\$2,428,184



## Expenses

■ Costs of Home Sales	\$1,434,538
■ Homeownership Services	\$453,152
■ Real Estate Development	\$194,286
■ Administrative Expenses	\$126,237
■ Fundraising Expenses	\$44,680
Total Expenses	\$2,252,892



## Statement of Net Assets

Current Assets	\$2,609,994
Investments in Partnerships & Corporations	\$114,251
Developer Fee Receivable	\$29,438
Restricted Cash (MURL)	\$173,136
Investments in Contracts for Deed	\$588,118
Net Property and Equipment	\$194,215
Current Liabilities	\$(1,931,629)
Long -Term Debt	\$(116,356)
Total Net Assets	\$1,661,168

# Staff



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