



2022 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.

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

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

Three percent doesn't sound like much, but when it comes to homebuying, it can make the difference between becoming a homeowner or being a perpetual renter. Consider this: A family of three earning \$65,000 a year lost \$75,000 in purchasing power due to a 3% increase in interest rates. At 4% interest rates, this family struggled to find a home in their affordability range of \$265,000. Today, at nearly 7% interest, their affordability is around \$190,000.

At the mid-point of 2023, in the Twin Cities metro, there are just 29 properties for sale at less than \$190,000 and 112 properties at less than \$265,000.

According to a recent Harvard study, half as many Black Americans can afford a median-priced home today as could just 12 months ago.

That's why the recently passed \$1 billion State budget for affordable housing is so incredibly important in addressing the racial homeownership disparity. Among the many worthy programs this funding will support, two will directly impact the people we work with:

- \$200,000,000 in down payment assistance with three quarters directed to first-generation buyers.
- More than \$100,000,000 in funding to support increasing the supply of affordable homes for purchase through new construction, rehab, and converting investor-owned homes back into owner-occupied homes.

This funding will go a long way in offsetting the impact of interest rates and increasing the supply of entry-level homes, but it will still take all of us working collaboratively to eliminate the racial homeownership gap.

In partnership,

Kathy Wetzel-Mastel
Executive Director

Corina Serrano
Board Chair

Homebuyer Programs



Through prepurchase education and one-on-one advising, we helped 875 people along the path to successful homeownership in 2022. Of these clients, 93% were first-time homebuyers and 45% first generation.



Foreclosure Advising

We know keeping families, especially BIPOC families, in their homes is crucial to closing the racial homeownership gap. In 2022, 99% of our clients with resolved cases avoided foreclosure, 55% were BIPOC homeowners and there was no difference in outcomes between our BIPOC and white homeowners. Sadly, we expect foreclosure rates to increase as COVID support programs end.

Affordable Housing Development

We continued to address the lack of inventory of affordable entry level homes with the construction more new homes in 2022. In addition to being Energy Star certified, our new homes now also meet Department of Energy (DOE) Zero Energy Ready Homes requirements (ZERH). Adding ZERH requirements increases energy savings to over \$3100 annually for PRG homeowners compared to the average home.

Public Policy

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 other organizational resources helped lay the groundwork for the historic investments highlighted in our letter from leadership.





2022

By the Numbers

**Homebuyer
Workshop Attendees**

349



77% Incomes under 80% AMI

76% BIPOC Households

Our Prepurchase Programs
produce approximately

220 **New Homeowners
of Color Annually**

**Homebuyer
Advising Clients**

526



45% First Generation
Homebuyers

79% BIPOC Households

**Foreclosure Prevention
Advising Clients**

160



58 Clients received \$653,892
in mortgage assistance

99% Avoided Foreclosure

**Real Estate
Development**



5 New Homeowners

80% US Born Black Households

100% BIPOC Contractors



Former Client Gives Back

PRG recently received a generous donation from a former client to support our future clients. Here is their story:

With the help of PRG homebuyer education and advising, Matt bought his first home in early 2017. He loved the home! It felt like a place that was truly his own, and he and his son were surrounded by a great community of families.

A few years later, Matt and his son needed to move. The house sold for far more than he had bought it. Matt had made improvements to the home, but mostly he was just lucky with the appreciation of home values. He decided to donate the extra profit to PRG to support future homeowners and help folks stay in their homes during hard times.

Matt said this about his decision, "I know this is not a choice everyone can make. For a while, I felt uneasy about it, especially with the pandemic-related uncertainty. But I own a different home now and I've built up savings - I've got enough. It's possible that money would help me in the future, but it's certain that it would help a lot more people in the present."

2022 Triennial Client Survey

In the fall of 2022, we conducted our third triennial survey of all prepurchase clients of the past three years. Our goal was to find out which of these clients had purchased a home and get a sense of our client's rate of homeownership by demographics.

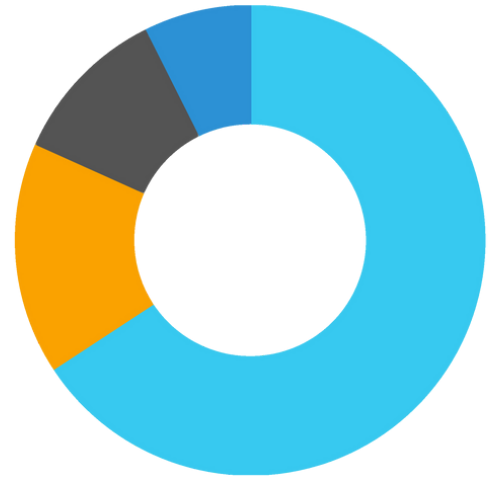
We received a great response rate of 31.2%. Based on these responses, we learned that 45% of households of color who participate in our prepurchase services go on to purchase a home within three years. This translates to approximately 220 new homeowners of color annually.

Despite this positive response, the survey illuminated what we knew to be true: increased prices and interest rates disparately impact BIPOC households. Therefore the gap between outcomes for white and BIPOC households grew for the first time in eight years.

2022 Financials

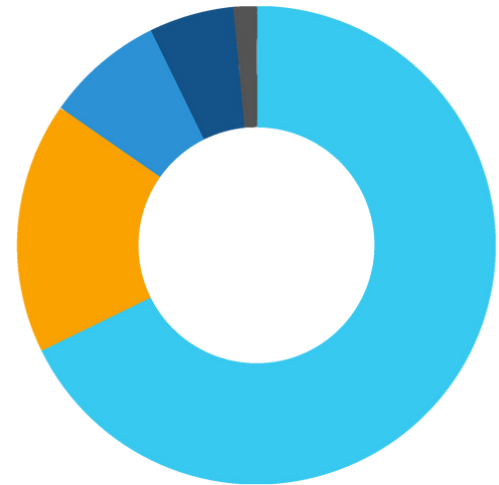
Revenue

■ Sale Price & Subsidy of Homes	\$1,347,500
■ Homeownership Services	\$456,660
■ Individual, Foundation, & Corporate Support	\$311,342
■ Real Estate Development	\$211,824
Total Revenue	\$2,863,604



Expenses

■ Costs of Home Sales	\$1,892,603
■ Homeownership Services	\$471,212
■ Real Estate Development	\$227,127
■ Administrative Expenses	\$159,880
■ Fundraising Expenses	\$40,895
Total Expenses	\$2,791,808



Statement of Net Assets

Current Assets	\$3,139,568
Investments in Partnerships & Corporations	\$114,251
Developer Fee Receivable	\$29,438
Restricted Cash (MURL)	\$229,464
Investments in Contracts for Deed	\$518,610
Net Property and Equipment	\$195,626
Current Liabilities	\$(2,348,019)
Long -Term Debt	\$(145,974)
Total Net Assets	\$1,732,964

Staff



Operations &
Communications Manager
Brenna Everson



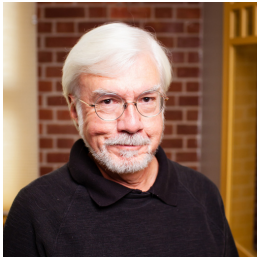
Real Estate Development
Coordinator &
Homeownership Advisor
Erin Green Wilson



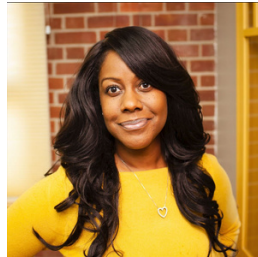
Homeownership Advisor
Reta Green



Project Manager,
Real Estate Development
Kevin Gulden



Administrative &
Accounting Manager
Paul McCluskey



Homeownership Advisor
Aliyah Primus



Administrative Assistant
Caliyah Rush



Homeownership Advisor
LaShelle Smith



Executive Director
Kathy Wetzel-Mastel

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Thank you Funders & Partners



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HOMEOWNERSHIP
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LSC TWIN CITIES



Associated Bank



Minneapolis
City of Lakes



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SOLUTIONS
NETWORK

OTTO
BREMER
TRUST™



foundation



ALERUS





Thank You!



We share these photos
from last year's PRG
Reunion in memory of our
former Executive Director,
David Rubedor

