



2018 ANNUAL REPORT



***Helping people achieve
their dreams, build wealth, and
strengthen communities.***

Karmalita's Story

The mother of 3 wonderful children and new PRG homeowner shared her story in transitioning from public housing to homeownership.

“Over the past few years juggling multiple jobs, living in low income public housing, wanting more out of life for me and my kids, I decided to save money to buy a home, but I never really knew where to start.

One day driving through a north Minneapolis neighborhood I saw a PRG sign posted by a nice home and decided to call to set up an appointment with Erin. Going in unsure and nervous I thought that the process was going to be hard and overwhelming. Boy was I wrong.

Meeting Erin helped me realize that sometimes I have to put all my uncertainties, worries, and nervousness to the side and just dive in. Besides all the help with building my income and credit, in the conversations we had, I could feel that Erin was rooting for me. She wanted this for me, and it was like she was right there to make up for whatever confidence I was lacking about owning a home. PRG's entire team has made this whole process so easy and simple for me.

Owning a home now for me and my kids gives us a few more responsibilities, but it also gives us that space and privacy that we always wanted thanks to PRG.”



Karmalita with her PRG advisor, Erin Wilson, and the rest of her team.



Karmalita on closing day in her newly renovated living room.

A YEAR OF GROWTH AND OPPORTUNITY

2018 marked ten years serving as PRG's executive director. It's a natural time to reflect and to think about the next ten years.



A new PRG construction in North Minneapolis.

While many organizations talk and plan around diversity, equity, and inclusion (as we did in 2015), PRG has made some real progress on this front. Fifty-four percent of current board members identify as people of color from a wide variety of cultural and ethnic backgrounds. This adds much richness in our discussions about how to strategically use our limited resources for the biggest impact. Fifty-percent of staff identify as people of color and it is fantastic to hear client phone calls and meetings in English, Spanish and Somali! PRG and our clients benefit from their deep connections within their respective communities.

In our Homeownership Services program, nearly 600 of the approximately 800 households a year are people of color. They are people who are working hard to overcome systemic barriers that keep them from achieving the goal of homeownership and successfully sustaining it. They know that homeownership has the possibility to change the trajectory of their family over generations.

PRG completed its 100th single family home since 2010 with 73 purchased by families of color. It is fitting that this home was our 100th as it so aptly demonstrates our commitment to deploy our resources in ways that produces multiple impacts. Not only is this family on the pathway to building multi-generational assets, but this investment also: narrowed the racial homeownership gap; created a vacancy in a much sought-after public housing unit; provided a local contractor of color steady work for six-months; and eliminated a long-boarded structure from the neighborhood. I could go on, but you get the gist.

As I think about the next ten years, I am enthusiastic that we've got the right people and resources to continue this important work.

With gratitude for our partnership,

Kathy Wetzal-Mastel
Executive Director



PRG staff Luis Mendoza and Portia Jackson facilitating a Home Stretch workshop.

HOMEOWNERSHIP ADVISING SERVICES

In 2018, PRG's hired Portia Jackson, Nimo Farah and Luis Mendoza, making PRG a trilingual organization, providing services in English, Somali, and Spanish.

More households of color utilized our Homeownership Advising Services then ever before. Last year alone, 236 families received free, one-on-one, homebuyer advising services, and 80% were households of color.

We provided first-time homebuyer education to 475 households at 18 Home Stretch workshops in north and south Minneapolis. Seventy-eight percent of attendees were households of color and 84% had incomes below 80% of area median income (AMI).

We are closing the homeownership gap one house at a time. Of households of color participating in our pre-purchase services, 52% go on to purchase a home within three years. This translates to approximately 275 new homeowners of color annually.



A homeownership advising client after receiving good news about her credit score.



Real estate professionals share their knowledge and expertise with Home Stretch participants.

PRG also provided free, one-on-one foreclosure prevention assistance to 40 families.

- Of the cases resolved in 2018, 73% avoided foreclosure.
- 93% had incomes under 80% AMI and 52% were households of color.
- Since 2009, PRG has played a critical role in averting 652 foreclosures, saving over \$50 million in costs to homeowners, lenders and local government.

HOUSING DEVELOPMENT



2018 marked the completion of our 100th home since 2010! This boarded and vacant north Minneapolis duplex was previously owned by the city and became home for a family of ten coming out of our partnership with the Minneapolis Public Housing Authority (MPHA).

This single project created an opportunity for this family to begin building inter-generational wealth; provided six months of construction work for a contractor of color and his crew; opened up a large MPHA unit to one of the more than 13,000 people on their waitlist, and removed a blighting influence from the Near North neighborhood.



Habibo, Jama, and 6 of their children on a recent tour of their new home.



Before and after photos of a PRG rehabilitation of a single family home in north Minneapolis.

DIVERSITY, EQUITY & INCLUSION

Despite a marginal improvement in homeownership disparities, Minnesota still has the second worst racial homeownership gap in the nation. That is why every aspect of our work is done with the intention of addressing racial inequities.

One example is our work in closing the homeownership gap. Last year, PRG sold our 99th home since 2010. Of these, 73% were sold to households of color; with approximately one-third sold to foreign born households and two-thirds to U.S. born households.

Secondly, consider our construction contracts. 75% of single-family home contracts in 2018 were awarded to businesses owned by people of color, and 25% went to women-owned businesses. Over the past 10 years, PRG has awarded over \$12.4 million in single-family construction contracts with 98% of them going to small people of color- or women-owned businesses.

And, we have built a multi-cultural team at PRG. Last year, we recruited new members to our board of directors and to our staff resulting in 54% and 50% of members, respectively, who identify as persons of color.



SUPPORTERS

Thank you to all of our supporters.
This work is possible because of you.

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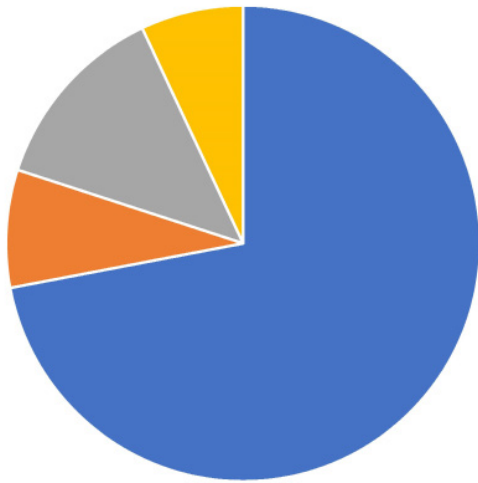
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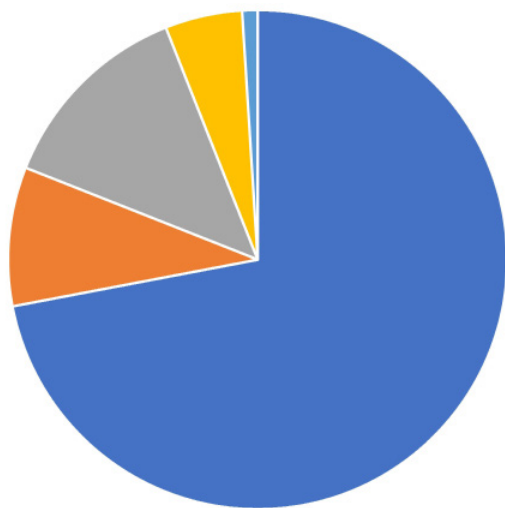
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FINANCIAL STATEMENT



Revenue

- Sale and Subsidy of Homes - 72%
- Real Estate Development - 8%
- Homeownership Services - 13%
- Individual, Foundation, & Corporate Support - 7%



Expenses

- Cost of Home Sales - 72%
- Real Estate Development - 9%
- Homeownership Services - 13%
- Administrative Expenses - 5%
- Fundraising Expenses - 1%

Statement of Net Assets

Current Assets	\$1,875,566
Investments in Partnerships	\$114,251
Developer Fee Receivable	\$88,688
Restricted Cash	\$58,642
Investments in Contracts for Deed	\$729,997
Net Property and Equipment	\$173,966
Current Liabilities	(\$1,521,564)
Long -Term Debt	(\$263,050)
Total Net Assets	\$1,256,496

Support and Revenue

Sale and Subsidy of Homes	\$1,778,122
Real Estate Development	\$191,213
Homeownership Services	\$310,861
Individual, Foundation, & Corporate Support	\$186,496
Total Support and Revenue	\$2,466,692

Expenses

Costs of Home Sales	\$1,737,112
Real Estate Development	\$233,683
Homeownership Services	\$315,690
Administrative Expenses	\$118,784
Fundraising Expenses	\$19,057
Total	\$2,424,326
Change in Net Assets from Continuing Operation	\$42,366

PRG's mission is to combine community-based affordable housing development with education and counseling to help all people and neighborhoods thrive.

Complete financials available upon request.
Please contact 612-721-7556