



PROUD
GROUND
ANNUAL
REPORT
2008

Owning a home—and owning it affordably, day in, day out—means more than a house, a shelter on a piece of property. Owning a home changes you, changes your family, changes your community. It is roots, a sense of belonging, a foundation to flourish from and build upon.

Proud Ground is much more than a place, too. We exist to remove the barriers between families and affordable homeownership. We work with lenders, builders and other community partners to serve low and moderate-income first-time homebuyers and prepare them for buying a new or existing home.

From newly constructed or newly refurbished homes, to financial tools and practical guidance, Proud Ground has worked since 1999 to give homeowners equity and stability, and our region homes that will remain affordable for generations to come.

Board of Directors

One-third of Proud Ground board members are Proud Ground homeowners Michael Sestric, Chair, Architectural & Facilities Planning services | John Marshall, Treasurer, Portland Development Commission | Jen Matheson, Secretary, NAYA Family Center | Loren Clark, Community Lending, U.S. Bank | Ben Kaiser, The Kaiser Group | Jorden Leonard, Multnomah County Library | Missy Ryan, Oregon Land Use Board of Appeals | Damin Tarlow, Gerding/Edlen Development | Chris Walvoord, Enterprise Community Investment

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Jesse Beason, Executive Director | Kathy Armstrong, Deputy Director | Katie Ullrich, Homeownership Program Manager | Héctor Jr. Osuna, Community Relations Coordinator | Destin Ferdun, Project Manager | Steve Whitson, Project Manager | Maurice Higdon, Fiscal Manager

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ABOUT PROUD GROUND

Dear Friends,

This past year has sharpened our country's focus of what home really means. With some of our friends, relatives and neighbors struggling to keep the houses they love, it becomes even clearer that a home is more than a commodity. It is a refuge, a protector and a temple. It is something worth fighting for.

We are honored to have served our 100th homeowners and 18 other families in 2008. And we are excited that by the end of this year, 111 homes will remain forever affordable in Portland.

This is a strong testament to this community's commitment to homes that are affordable today – and tomorrow.

And, while prices have dropped, we know that the buyers we work with still can't get a quality home at a price they can truly afford. We know that the minority homeownership gap is still very real.

We've still got work to do. And we are fortunate to count so many of you as partners in this work. Thank you!

A handwritten signature in black ink, featuring a stylized, circular flourish on the left side that resembles a flower or a knot, followed by a long, horizontal tail stroke.

Jesse Beason
Executive Director

A handwritten signature in black ink, written in a cursive style that is somewhat legible, appearing to read "Michael Sestric".

Michael Sestric
Board Chair

“I can’t believe this is my place.”

That was Michelle’s first thought as she walked in the front door of the home she now owns.

Tired of moving every time her rent increased, tired of asking for permission to paint or fix things up, tired of living without pets, and ready to have a place of her own, Michelle was ready to become a homeowner.

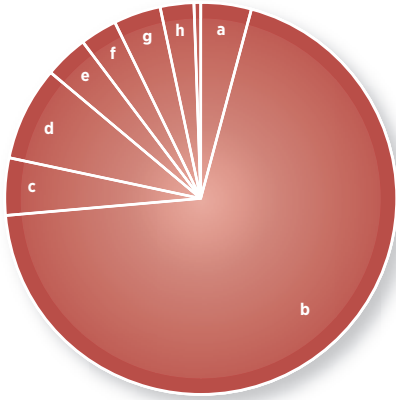
Michelle attended a Proud Ground orientation class hosted by her employer, New Seasons Market. Thanks to a great partnership, Michelle is one of four households who learned about Proud Ground’s program through New Seasons.

But her favorite part about being in her home isn’t inside at all.

“I love to garden,” Michelle explains. “I like knowing I can plant a biannual and know I will be around to see it bloom.”



MICHELLE



2008 Revenues

	\$	%
a. Foundation Grants	54,250	4.42
b. Government Grants & Contracts	851,920	69.35
c. Developer Fees	56,370	4.59
d. Gain on Sale of Property	95,422	7.77
e. Corporate Donations	46,108	3.75
f. Individual Donations & Memberships	36,505	2.97
g. Service & Lease Fees	50,043	4.07
h. In-Kind Donations	33,021	2.69
i. Miscellaneous and Interest	4,716	0.38
TOTAL	1,228,355	100.00



2008 Expenses

j. Homebuyer/Homeowner Services	475,088	66.00
k. Acquisitions/Project Development	137,902	19.16
l. Management & General	72,545	10.08
m. Fundraising	34,263	4.76
TOTAL	719,798	100.00

Change in Net Assets **508,557**

THE NUMBERS





In 2008...

- 52 homeownership orientation classes
- 200 homebuyer education & counseling sessions
- 19 new homeowners
- \$150,500: Median Proud Ground home price in 2008
- \$278,000: Median market-rate home price in Portland in 2008
- \$38,000: Annual gross median income of 2008 Proud Ground homebuyers

Since 1999...

- 122 new homeowners created *
- 111 permanently affordable homes in portfolio *
- 13 resales
- 59%: Households with children
- 72%: Female-headed household
- 6%: Disabled head of household
- 51%: Minority households
- \$31,973: Median household income
- \$118,900: Median Proud Ground home price
- \$126,000: Median Proud Ground sales price of a home upon resale
- \$24,000: Amount of new equity generated through homeownership, on average, by each Proud Ground homeowner who has been in her home for 5+ years. **
- \$7.5 million: Actual subsidy Proud Ground has administered since 2001 to buy down the purchase price of 99 Portland homes.
- \$10.9 million: Approximate subsidy that would be required to buy down the purchase price of those same 99 homes today.

Note: All demographic information is at the time of purchase

* 2009 year-end projections

** based on zillow.com estimates using Proud Ground's resale formula; not based on actual resales

SNAPSHOT



Building Together: Proud Ground's first development project

The Housing Authority of Portland (HAP) had a problem. HAP owned single-family houses scattered all over town which were getting on in age and expensive to maintain. But those houses were also part of Portland's shrinking pool of affordable homes. Proud Ground had a solution: buy some of those houses at a steep discount, renovate and sell them at affordable prices, and keep them affordable forever.

In 2007, Proud Ground bought nine houses from HAP, all located in inner North and Northeast Portland. A year later, Proud Ground completed the renovations and homebuyers bought them all in a flash—including our 100th homeowners.

Through Proud Ground's partnership with HAP, these houses—located in some of Portland's most desirable central neighborhoods, which are gentrifying fast—are priced within reach of working families. And the green renovations kept indoor air-quality and energy efficiency at the forefront. Average sales price for these single-family, detached, homes, with private yard? \$148,000. And they'll be affordable forever.

We gratefully acknowledge the important participation of these partners in the Building Together Project:

Housing Authority of Portland
Portland Development Commission
Umpqua Bank

BUILDING TOGETHER



Yvonne's family was growing. She and her daughter, Christeen, have always been close, and her granddaughter Cheyenne was accustomed to being around her every day. So living with her family - all three generations - was a priority. When Christeen and her husband, Nathan, were expecting their second child, they realized they needed more space.

Working with the Native American Youth and Family Center and Proud Ground, Yvonne discovered that homeownership was, indeed, possible. In fact, in her words, it was a "painless journey."

"There was genuine interest in seeing you succeed in this venture," Yvonne says of working with NAYA Family Center and Proud Ground.

While Yvonne knows the many benefits of homeownership, it's sometimes the little things that mean a lot.

"When it rains, I don't worry about what may be getting wet because my new home doesn't leak!"

And Cheyenne is thrilled to have a room of her own for the first time in her life.

"Finally, we have someplace special to call home."

YVONNE AND FAMILY

Tired of being cramped in their 400 square-foot apartment, Kara and David decided to learn more about becoming homeowners.

Although they were doubtful about their prospects, Kara and David came to Proud Ground. Within 8 months of getting on Proud Ground's waiting list, Kara and David were living in their new home. (And they were Proud Ground's 100th homeowners!)

This home represents the future and the couple's dreams; as Kara puts it, "This was a long-term move for us. We're putting down roots here!"

In April 2009, another dream came true. Kara & David welcomed baby Noah into their new home.



KARA & DAVID

2008 Community Investors

Business, Corporate and Foundation donors

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Curious Theater
Enterprise Community Investments
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Oregon Association of Realtors
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Yesterday & Tomorrow

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Al Jubitz, Homeownership LLC
Sisters of Charity, Seton Enablement Fund

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Matt Wilcox & Tatiana Martinez-Ilieff

Volunteers

Mary Atiemo
Sakorya Avery
Frank Dadulla
Tamika Johnson
Janis Khorsi
Irene Kone
Brian Lincoln
Amy Ludtke
Dianne Riley
Silvia Romero Diaz
Deborah Turner
Annelies van Dormolen
Steve Whitson
Dave Wilcox
Julie Wilcox

WITH THANKS



**PROUD
GROUND**

Dreams Start Here.

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