



*** NEWS RELEASE ***

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Proud Ground secures significant program and project funding

Funding includes \$100,000 low-interest loan for one of the nonprofit's housing development projects

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Despite the economy, Proud Ground's housing development work moves forward, thanks in part to generous support from diverse sources.

Proud Ground's housing development project, Svaboda Court, received two jolts of support recently:

1) **Community Frameworks' SHOP program** awarded \$120,000 to provide an additional \$15,000 of buy-down assistance for each of the 8-12 homes in Svaboda Court, in exchange for some sweat-equity hours provided by the homebuyers. The result is an even lower purchase price, and greater homeowner investment in the home. This award is in addition to another \$120,000 Community Frameworks SHOP award, to be used to lock in a lower purchase price on other pending projects. SHOP funds are made available through HUD's Self-Help Homeownership Opportunity Program. More information:

http://www.communityframeworks.org/shop/shop_index.html

2) Lower purchase prices can come through more affordable loans, too. A \$100,000, low-interest loan from the **Religious Communities Investment Fund** will reduce project costs by replacing an early, higher-interest acquisition loan on the project. "We are proud to be supporting Proud Ground in its efforts to not only create affordable housing, but to also provide the infrastructure to ensure that the properties remain affordable for future generations," says Fund Director Corinne Florek, OP.

The Religious Communities Investment Fund is a coordinated effort of various Catholic Religious Congregations who use their financial resources to assist in overcoming social and environmental inequities. Using their resources as a ministry, the Congregations pool their individual assets to support the mission of promoting economic justice through investments in low-income communities worldwide. More information: <http://rcif.org/>.

These awards supplement other funding in Svaboda Court, including **\$675,000 from the Portland Development Commission**. PDC's award is in the form of a loan that will convert to a

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grant that helps buy-down the purchase price of the homes in the project. Further pre-development funding for this project includes:

- \$100,000 low-interest loan from the Sisters of Charity, Ohio;
- \$50,000 low-interest loan from the Adrian Dominican Sisters, Michigan;
- \$35,000: 0% predevelopment loan from Enterprise Community Investments;
- \$8,300: Grant from HOME Depot Foundation toward \$13,000 of certification and third party verification associated with LEED for Homes.

Svaboda Court is a housing project under development by Proud Ground. Located in the Lents Urban Renewal Area, it will be 8-12 duplex style, family-friendly townhomes. Svaboda Court is on track to meet LEED for Homes platinum and is ready to break ground – once construction financing is secured.

“Proud Ground – like so many housing developers – is experiencing firsthand the fallout from lenders’ hesitancy,” Proud Ground Executive Director Jesse Beason explains, addressing the difficulties both nonprofit and market-rate developers are having in accessing construction financing. “However, as these recent funding awards demonstrate, there are lenders who value and support projects like Svaboda Court, and who recognize the vast differences between this product versus more expensive, market-rate products.”

Beason continues, “Svaboda Court is permitted and ready to go – and very marketable. With price points from about \$130,000 - \$155,000, Svaboda Court will reach an underserved market – a market that has demonstrated an active interest in purchasing high-quality, affordably priced homes. For example, just across the street is Pardee Commons, a Proud Ground project developed by Cityhouse LLC. Since the sales period began in November of 2009, seven out of 10 units have been sold to low-income, first-time homebuyers – households with average annual incomes of \$42,000. The average sales price of homes at Pardee Commons: \$145,000. Svaboda Court is a similar product with a similar market-focus.”

In terms of general program support, **The Collins Foundation** awarded Proud Ground a \$50,000 grant over two years for homeownership and housing development work – following its three year, \$90,000 grant that got the nonprofit’s housing development program off the ground.

“The Collins Foundation is delighted to support the work of Proud Ground. Despite a very difficult economy, this nimble and creative organization continues to advance its mission of creating permanently affordable homes,” explains Collins Foundation Executive Vice President Cynthia Addams. “The projects being developed today will be vital to the next wave of first-time home buyers.”

The Collins Foundation is an independent private foundation created in 1947 by Truman W. Collins and other family members. The foundation exists to advance humanitarian endeavors in the state of Oregon and to assist in improving the quality of life for Oregonians. More information:

<http://www.collinsfoundation.org/>

About Proud Ground (www.proudground.org)

Proud Ground is a nonprofit organization that provides affordable homeownership opportunities for people who work and live in our community. Working with community partners, lenders, builders and others, Proud Ground prepares families and individuals for homeownership; helps them purchase existing homes; builds new affordable homes; offers homeowners tools to be successful; and manages transactions to keep homes affordable for generations to come.

In a period of deep economic decline marked by a steep foreclosure rate Proud Ground has a 0% foreclosure rate among its homeowners.

That, explains Proud Ground Executive Director Jesse Beason, is because a core feature of Proud Ground's program is post-purchase support of homeowners, helping to ensure that Proud Ground families don't lose their homes. And while many working Americans cannot afford homes even at current prices, Proud Ground continues to identify new homeowners.

"Even in the current market, homeownership is less accessible than it has ever been," Beason says. "Today's generation is facing an average sales price that is more than twice that of our parents and grandparents. We are grateful to make homeownership a reality for many who've been shut out of that American Dream."

Since 1999, Proud Ground has created 118 new homeowners:

- The median sales price of a Proud Ground home in 2009 was \$137,000, vs. \$247,000 for a market-rate home in Portland.
- The median price of a Proud Ground home upon resale is \$126,000.
- The median household income of Proud Ground homeowners is \$31,973 / 57% MFI.
- 43% of Proud Ground homeowners are from communities of color.
- Proud Ground has administered \$7.6 million in subsidy to buy-down the purchase price of the 107 homes in its portfolio; to make those same homes affordable today would require approximately \$9.6 million in subsidy.
