

# Reaching Undiscovered Markets

**Housing Finance Authority of Miami-Dade County**

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1999 ALHFA FALL EDUCATIONAL CONFERENCE

November 18 - 20, 1999

San Francisco, California

# Undiscovered Markets

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## ◆ A WORKING DEFINITION

- \* Persons who make up the fringe portions of a market.
- \* They possess many of the attributes of the target market.
- \* Their economic resume does not conform to traditional mortgage lending financial requirements.

# Program History

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## ◆ 1978 to 1998

- \* Over **\$1.2 Billion** in affordable housing capital generated through the issuance of mortgage revenue bonds.
- \* Over **\$768,255,000** in single family bonds issued.
- \* Over **12,000 families** purchased their first home through the Authority's bond program.

### Recent HFA Issues

<u>Year</u>	<u>Program Name</u>	<u>Amount</u>
1999	Welcome Home	\$23,028,460
1998	Home Sweet Home	\$54,234,000
1997	Ready to Own?	\$30,425,000
1996	Tired of Renting?	<u>\$49,508,710</u>
	Grand Total	\$157,196,170

# Program Features

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## ◆ Single-Family Program

- \* 30-Year fixed-rate mortgage
- \* Below-market interest rates
- \* Closing Costs assistance
- \* Down payment assistance
- \* **Expanded target areas**
- \* **Home Buyers Club**
- \* **Deep Subsidy mortgage / target areas**
- \* Pre-trained Lenders
- \* Pre-trained Realtors

Housing Finance Authority of Miami-Dade County

“The test of our progress is not whether we provide more to the abundance of those who have too much, it is whether we provide enough for those who have too little.”

Author unknown

# Deep Subsidy Features

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## Partnership

**Housing Finance Authority (HFA)**

**Miami-Dade Housing Agency (MDHA)**

- P \$2 million HFA funds + \$2 million MDHA funds
- P Income Limit - \$25,000 annually per household
- P Interest Rate - 3.5%
- P Terms - 30-year, fixed-rate mortgage
- P Geography - Predetermined census tracts
- P Closing costs & down payment assistance

# Program Demographics

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P Period: 1995 to 1998

## Loan Type

47.92% - Conventional  
50.16% - FHA  
1.92% - VA

## Annual Income

\$31,820 - average per household  
38.64% earn 80% or less of median income

## Family Size

48.64% - three or more  
51.36% - one to two

## Marital Status

51.68% - Single  
48.32% - Married

## Sex of head of household

63.84% - Male  
36.16% - Female

## Ethnicity

64.56% - Hispanic  
14.72% - African American  
8.64% - Other  
12.08% - Non-minority

Sources: 1998 Official Statements, AOD reports 1995 - 1998  
prepared by: Denihan and Associates

# More Minorities, Immigrants Joining Ranks of Homeowners

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1997 Harvard University housing study

...**Hispanics** have made the greatest gains; for a total increase of 16 percent.

**Blacks** have gained 7.5 percent in home ownership.

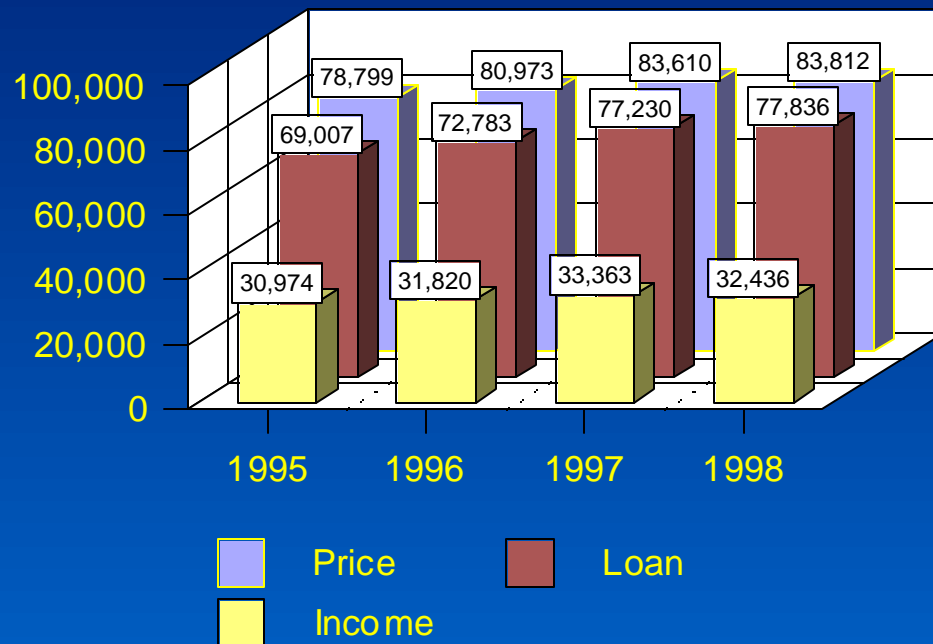
A demographic group including **Asians, American Indians and Pacific Islanders** gained 11.8 percent.

By comparison, **Whites** gained 4.5 percent during the same period.

# 1995 - 1998 Single-Family Program

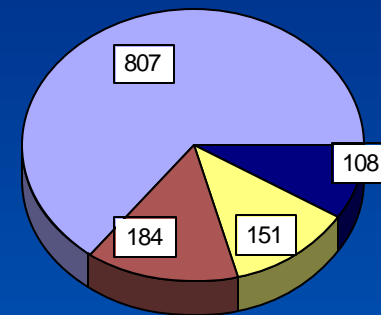
## Track Record

### Economic Impact



### Ethnicity

#### Buyers



# State of the Cities 1997

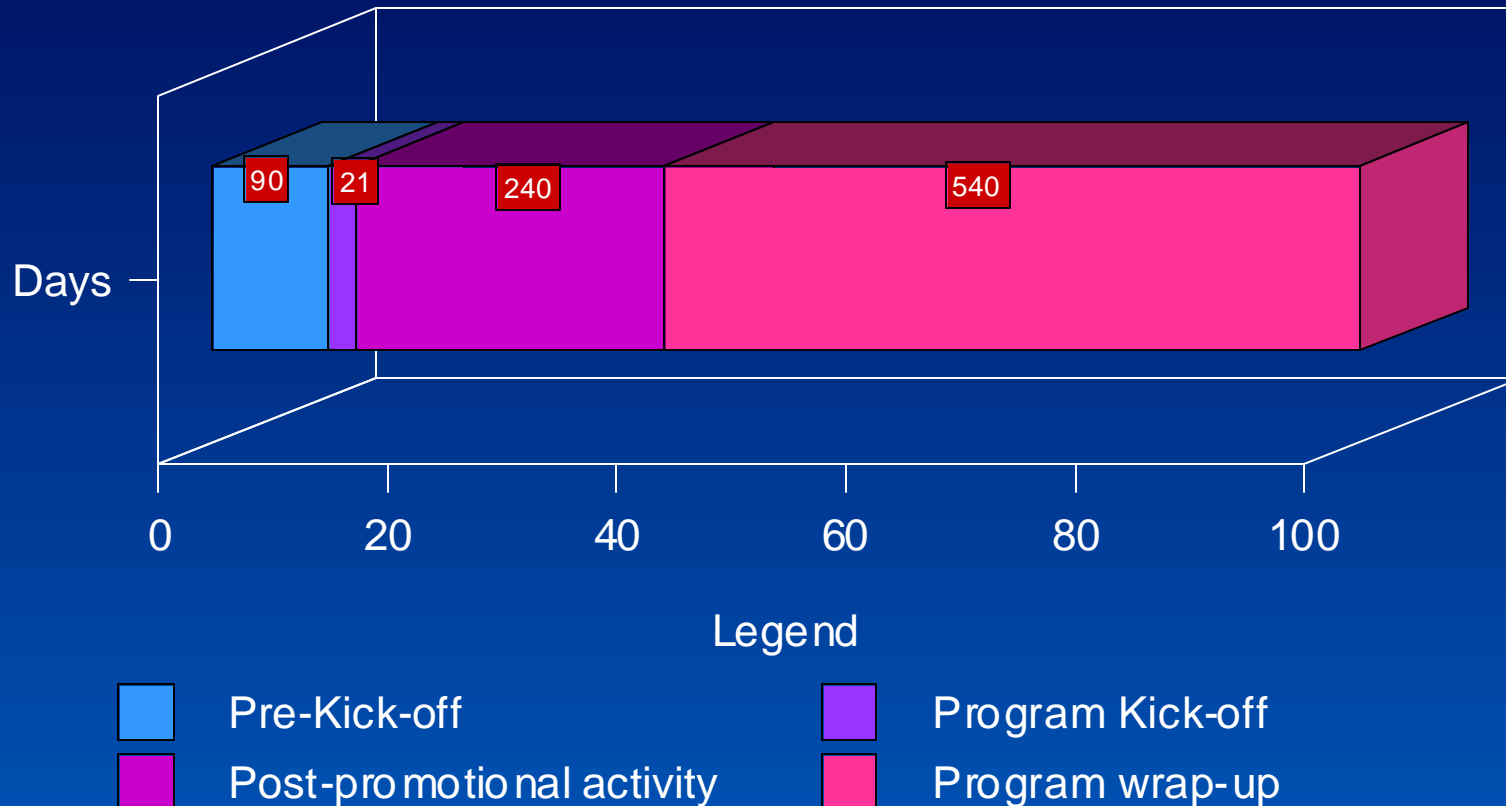
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“Immigrants bring new ideas, new energy, and a new appreciation for American values and ideals. They challenge us to do better. We all benefit from their industry and prosperity.”

Rudolph Giuliani, Mayor of New York

# Communications Strategies

## Promotional Time Line



# Media and Marketing Products

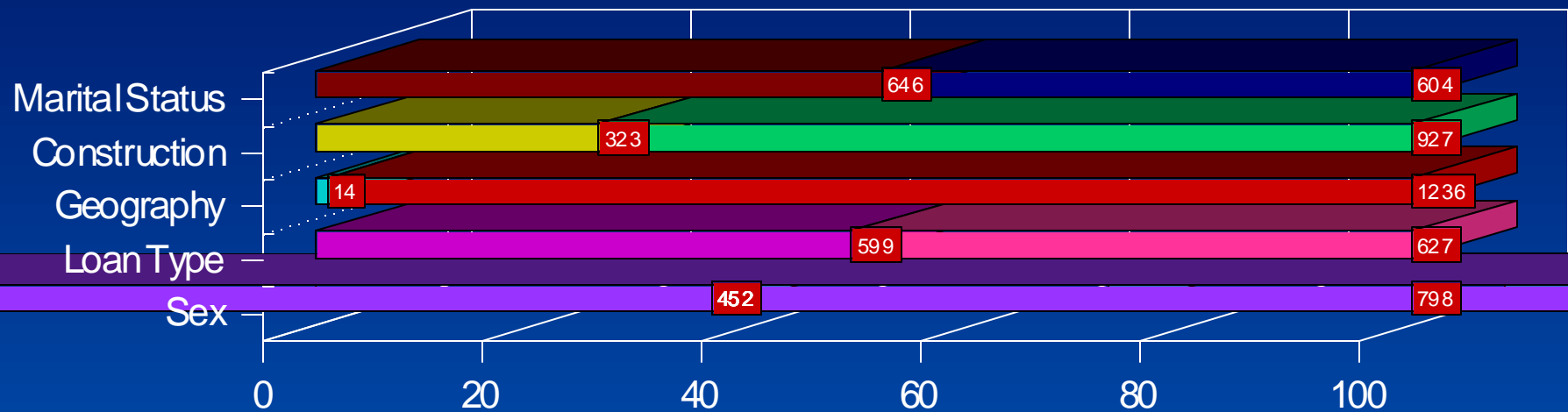
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## Methodologies

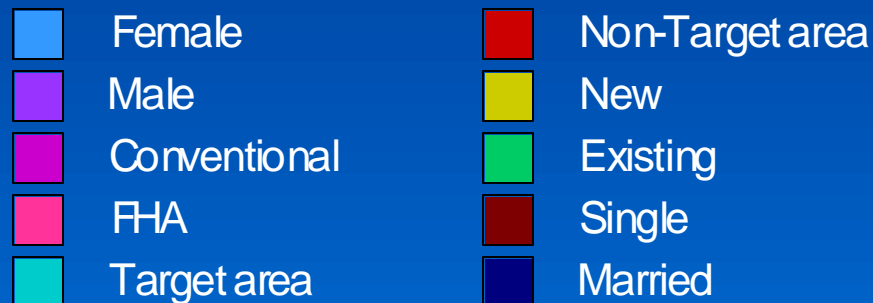
- < Press Releases
- < Interviews
- < Community Events
- < Cable Television
- < Radio Advertising
- < Brochures / Direct Mail
- < Mass Transit Advertising
- < Print Advertising
- < Web Site
- < Novelty Items

# Buyer Demographics

## 1995-1998 Single-Family Program



### Legend



# Summary

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## ◆ Future Opportunitites

Minority households have grown to account for nearly 30 percent of the nation's new homeowners and in many areas are anchoring the first-time home buyer market, according to an annual Harvard University housing study.

San Francisco Chronicle September 29, 1999