

Category: **Homeownership – Empowering New Buyers**
2009 Entry **Homeownership Empowerment Program**

Empowering Minorities to Reach the Goal of Homeownership

“With VHDA we did not go blindly into the purchase. We took the Homeownership Education class and learned a lot. We used to rent a small studio apartment. Now we own a house and have a great mortgage loan with a low interest rate.”

Flory López Marín



The López Marín Family

True empowerment grows out of the knowledge that comes from education. The Virginia Housing Development Authority is providing Virginians like Mrs. Marín with empowering educational resources through our *innovative* and comprehensive Homeownership Empowerment Program (HEP). Centered on a diverse collection of activities, HEP makes minority populations aware of homeownership opportunities and educates about the steps it takes to transform their goal to own a home into a *sustainable* accomplishment.

Through HEP, VHDA is mobilizing a comprehensive statewide effort designed to make significant progress in increasing sustainable homeownership in African American and Hispanic communities. These outreach initiatives *respond to an important state housing need* to provide opportunities for homeownership education, as well as to offer guidance and innovative structural support to a variety of organizations serving the market we are

trying to reach. Our core strategy is to address the housing needs of underserved minority homebuyers, with the goal that by the end of FY 2010, VHDA will increase home purchase lending to households with one or more African American borrowers and to households with one or more Hispanic borrowers. To help us reach these goals, VHDA is expanding relationships and resources with faith-based organizations, and improving these organizations’ access to homebuyer education and financial literacy.

Increasing sustainable homeownership with a comprehensive plan that includes outreach, education and marketing demands a long-term perspective for return on investment (ROI). VHDA’s success is rooted in our willingness to put together an ongoing multi-faceted **and** multi-year communications strategy designed to facilitate minority borrowers in achieving their goals.

Reaching Out to Neighborhoods Where it Matters the Most

Primary research conducted by VHDA in Spring 2008 revealed that in minority communities, the church is a neighborhood place where many residents place their trust. Armed with this critical information, VHDA transitioned our Genesis Project—a faith-based initiative begun in 2006 to provide homeownership education through Richmond area and Greater Hampton Roads member churches of the Baptist General Convention of Virginia—into the Harvest Project.

This initiative *effectively employs partnerships* by actively engaging faith-based organizations functioning as 501(c)(3) non-profit community development corporations (CDC) or organizations aspiring to obtain CDC designation and own land which can be developed into affordable housing opportunities.

As part of the Harvest Project, VHDA hosted two *Harvest Your Vision* seminars that provided both introductory and intermediate level training to communities of faith. The seminars explored the development process and financial analysis techniques, as well as the structuring and negotiating skills necessary to successfully develop and finance affordable home ownership and rental housing. VHDA community housing officers dedicated to African American and Hispanic outreach also provide consulting support to help faith-based organizations identify and educate potential first-time homebuyers.

Other outreach efforts include:

- Creating the VHDA College Tour, an educational initiative that enables us to increase homeownership opportunities by partnering with Virginia colleges and universities. Through the Tour, students are encouraged to look beyond just making money by focusing on creating a personal action plan for building lifetime wealth through homeownership.
- Offering vhdaespanol.com for those who only speak Spanish. The site is branded VHDA and was developed with the Hispanic consumer in mind.
- Providing a series of Homeownership Education Shows on public access TV channels in Fairfax and Reston, hosted by Hispanic VHDA associates.
- Partnering with three Virginia housing advocates to promote the Earned Income Tax Credit (EITC) refund, and to encourage low-income Virginians to put their refund into a Virginia Individual Development Account (VIDA) where it will be matched 2:1 with state or federal funds. By combining EITC and VIDA, low-income working families have the ability to quickly multiply their savings into a down payment on a home.

Recognizing that One Size Does Not Fit All

"This class was worth my time because it changed my life... Since taking this class I have the confidence that I can achieve any dream that I have set out to obtain." Genea T.

Online or in-person, VHDA offers a homeownership education experience that fits the lifestyle of those who need it. Our online class lets potential first-time homebuyers take the class anytime and work at their own pace. The in-person class gives participants the benefit of class discussions and the opportunity to ask questions and get answers from a housing expert. All classes are offered in English and Spanish.

For situations where an eight-hour class alone is not sufficient, we facilitate a Homebuyer Club offered in partnership with Housing Authorities and Housing Counseling agencies. Education provided through The Homebuyer Club covers a 14 - 16 month period. Participants meet each month to discuss topics such as understanding credit and working with a lender. In addition, they have the opportunity to meet one-on-one with a housing counselor.

The Homebuyer Club also enables organizations to maximize services and provide intense counseling and educational services to meet the requirements of a variety of different housing programs, including Housing Choice Voucher for Homeownership, Family Self Sufficiency and Neighborhood Stabilization.

Getting the Word Out About VHDA is Getting Results

A multi-faceted advertising campaign during the traditional homebuying season was launched March 4, 2009 and ran through June 30. The goal of the HEP campaign, which included TV and radio focused in

key minority markets, was to increase awareness of VHDA among African Americans and Hispanics by providing them with guidance and education on steps to purchasing their first home. The campaign also encouraged viewers/listeners to visit a landing page where they could find additional information, watch a video testimonial from a satisfied client, and sign up to take the homeownership education class.

In addition to the campaign, VHDA also regularly produces five Spanish language radio shows—four of them live—to help these communities view us as a helpful neighbor. Hispanic VHDA associates host the shows, which are very popular and generate on-air calls from listeners. Hosts follow-up on the calls, and encourage the callers to contact them at VHDA's offices to obtain more detailed information.

Traditionally, comprehensive efforts designed to facilitate a long-term action, such as buying a home, are hard to assign metrics. What does work is measuring the activity taken by the target audience along the way to their objective. In this case, VHDA is measuring three activities:

Awareness

Awareness of VHDA has steadily increased, **demonstrating that we've achieved our strategic objectives**, as measured in two surveys, the first conducted in the Spring of 2006 with a follow up conducted in the Fall of 2008. Specifically, awareness of VHDA by African Americans increased 19 percent in Richmond and 31 percent in Hampton Roads. Awareness of VHDA by Hispanics increased 21 percent in Northern Virginia. All survey confidence intervals were at the 95 percent level.

Homeownership education class registrations

Our four-month advertising campaign increased the number of people registering for our online class by 120 percent when compared to the same four-month period last year. Also for the same period, the percentage of African Americans and Hispanics registering for the classes increased from an average of 25 percent, to 47 percent, **demonstrating an effective use of resources**.

Number of organizations or people attending training seminars or classes

Representatives from approximately 30 faith-based organizations attended the *Harvest Your Vision* training seminars, with many of these organizations going on to develop programs to address the affordable housing aspirations of African American communities in Virginia. For the College Tour, we estimate the three-year total attendance at 4,500 students.

With the average cost of a foreclosure around \$60,000 per loan, these initiatives to educate and create sustainable homeownership opportunities clearly **demonstrate a benefit that far outweighs their costs**. All of these components of HEP are **replicable** on some scale for any HFA.