



Photo by Maxine Usdan

Andy Parrish is planning five more homes in west Coconut Grove and is always on the lookout for empty lots on which to build.

Real estate consultant defies odds in providing low-income housing

BY CANDI CALKINS

While big profits lure most developers to luxury projects, Andy Parrish, a Miami real estate consultant, says he is on a quest to prove that building affordable single-family homes in low-income neighborhoods can be both rewarding and profitable.

The profits may be smaller. Mr. Parrish made an average \$5,000 profit on the 10 homes he has built in west Coconut Grove since 1995. By contrast, developers of \$1 million luxury homes in such upscale communities as Cocoplum make a \$100,000 profit per home, he said.

However, the rewards of assisting first-time homebuyers and helping a black community struggling with long-term issues, including drug problems as well as encroaching gentrification, make the process worthwhile, according to Mr. Parrish.

He said he plans another five houses in west Coconut Grove and always looks out for empty lots.

"We find that Andy Parrish is the only private developer who has done this," said Yvonne McDonald, president of the Coconut Grove Local Development Corp., a nonprofit that has built 32 homes over the past five years, filling vacant lots once scattered throughout the community.

"Andy looked at this square in the eye and took on the challenge," said David Alexander, former president of the Coconut Grove Local Development Corp. He said Mr. Parrish worked with the city, getting discounts on vacant lots "that were sitting there gathering garbage."

Mr. Parrish said historically subsidized housing in low-income neighborhoods has not appreciated in value, providing renters with little incentive for buying a home. His solution was to specially design a sizeable home that could be built for about \$80,000.

He also enlisted the City of Miami to provide second mortgages.

Typically, low-income homebuyers cannot qualify for a commercial loan to cover the full cost of the purchase. Richard Bowman, specialist with the city's community development department, said the city administers low interest loans that cover the difference.

To qualify, income cannot exceed 50% of the median income for the area, adjusted for families. Moderate income is considered up to 80% of median income for the community.

"It's a great way," Mr. Bowman said, "that the city can assist citizens of the city who otherwise wouldn't qualify to enjoy the American dream."