

CASA GRANDE TOWERS

Miami

A Case Study



THE CHALLENGE

Casa Grande Towers is a striking example of how homes within reach of working families can stimulate neighborhood revitalization. In the early 1990s, Hurricane Andrew depressed the Miami-area economy and spiked the shortage of affordable homes, thus driving many families to inner city rental units for easier access to jobs and transportation. The East Little Havana Community Development Corporation saw the potential to build homes for these families on several vacant lots located near a metro-rail station, various bus stops and downtown Miami.

THE SOLUTION

■ **Affordability:** In 1999, 80 condos sold for a maximum of \$62,000 to \$92,000 (depending upon size). They were affordable to families earning incomes at or below 80 percent of the area's median income. Many owners who previously paid up to 60 percent of their incomes for rent now pay no more than 30 percent. There has been little turnover for the past seven years, although units that initially sold for \$92,000 are now appraised at \$180,000. Sellers are required to sell to a family with a similar income or else give a subsidy repayment to the East Little Havana Community Development Corporation to use for other initiatives.

■ **Financing:** The East Little Havana Community Development Corporation secured financing from seven private and public (city, state and federal) sources. Pacific National Bank, the primary private construction lender, and a consortium of smaller banks provided the loan.

Total development costs were approximately \$8 million, in line with similar developments in the area. Because of Casa Grande's proximity to public transit, only one parking space per unit was required, which saved money.

■ **Selection Process:** All applicants were checked for credit-worthiness, job stability and the ability to make down-payments. Ninety percent received financial literacy training from East Little Havana Community Development Corporation to prepare them for

homeownership. The training program included financing, insurance and property management sessions. Casa Grande's owners manage the development through a very active homeowners' association.

■ **Design:** The design of the 13-story building by the local architectural firm of Perez & Perez is bold, colorful and “very Miami.” It includes open-air roof gardens, generous balconies and a row of palm trees that line the street facade. Open air hallways have terra cotta tile floors and walls painted in soft Mediterranean colors.

THE IMPACT

“Casa Grande differs from a market-rate building in how it was financed – but not in terms of the quality of the structure or its residents,” explains East Little Havana Community Development Corporation Deputy Director Alfredo Duran. About 100 full-time jobs were created during construction. “It strengthened security and stability in the community,” he adds, “and played a major role in turning the neighborhood around to raise values and encourage more development.” Although “Casa Grande was the largest structure in the neighborhood when it was built,” Duran notes, “it didn’t stick out and today there are many high-rise buildings.” Condos directly across the street from Casa Grande now are being sold at pre-construction prices over \$1 million.

Jimmy and Melania Gonzalez explain that “we wanted to achieve the American dream and acquire our own home, but never thought we would have something as beautiful as what we’ve achieved here.