



Clare Terrace, a 36-unit complex set to open this week at 3555 France Ave. N. in Robbinsdale, has support from city officials who say it could offer a model for redevelopment in the area. (Submitted rendering: Clare Housing)

## Robbinsdale HIV/AIDS complex seen as development stimulus

By: Karlee Weinmann November 30, 2015 2:37 pm 0

Robbinsdale officials hope a 36-unit complex that targets chronically homeless people with HIV and AIDS will be an unlikely driver of redevelopment in the southwest part of the city.

Tucked between 35th and 36th avenues north on France Avenue, the 36-unit publicly funded Clare Terrace project fills in a long-vacant lot and, according to city staff, provides a springboard for fresh activity in a high-traffic area near Highway 100 and County Road 81. The \$8.1 million project opens this week.

"This building really puts a landmark on the corner," Robbinsdale community development coordinator Rick Pearson said. "[The area] is really transitioning from a low-density residential character to higher-density commercial."

Other developers had circled the site in recent years, but Clare Terrace — the latest effort by Minneapolis nonprofit Clare Housing — was the first serious pitch after plans for an 18-unit condo project crumbled during the recession.

The latest project is a decidedly different use for the lot, once home to a dry cleaner and convenience store. But an open-arms welcome from Robbinsdale pushed the project along, tamping down concerns that the low-income complex — across from several single-family homes — would erode property values and drive up crime.

Community opposition previously stung Clare Housing's plans to build a new complex in northeast Minneapolis near one of its existing sites. The city in 2012 yanked an agreement to sell an empty manufacturing building at 115 Fifth St. NE to the organization amid backlash from neighbors.

But in community meetings this time around, Robbinsdale staff emphasized that more foot traffic at the site and security cameras at the complex would make the stagnant area friendlier. The city also pitched the complex, designed by Cermak Rhoades Architects and built by Frerichs Construction, as an attractive addition that matches up with the latest development standards.

"The perception of public housing and low-income housing 10 years ago is very different from what the reality of what affordable housing looks like today," said Chuck Peterson, who heads Clare Housing. "You drive by one of our buildings and you have no idea. It looks like any market-rate building."

Still, matching aesthetic expectations is tough for a nonprofit relying heavily on public funds. Federal and state funding sources often limit developers' spending on in-demand sustainable add-ons, such as the solar panels and green roofs Clare Housing would have liked to integrate, Peterson said.

The Clare Terrace complex relied on \$5 million in low-income housing tax credits, \$1.1 million from the Minnesota Housing Finance Agency, \$675,000 from Hennepin County and \$200,000 from the Metropolitan Council, plus \$100,000 in federal funds.

It also got \$500,000 from the Federal Home Loan Bank of Des Moines and sales tax and energy rebates worth \$120,000.

A limited funding pool also limited how much Clare Housing could accommodate Robbinsdale officials' input on the project. Initially, City Council members pushed for more brick in the building's façade — an option that was too costly to fit into the project budget.

To expand options for the building, Robbinsdale ultimately offered \$390,000 in aid to Clare Terrace, including a \$350,000 tax increment financing package earmarked for land acquisition costs. The city also agreed to defer a \$40,000 water access charge.

In addition, Robbinsdale rezoned the area to accommodate supportive housing and finessed Clare's acquisition of an adjacent property with a duplex torn down to make room for the new development. City officials also loosened parking restrictions, allowing Clare to build fewer parking stalls.

City support was instrumental in getting the project done, especially in an increasingly tough funding climate for affordable housing projects. Typically, developers tap philanthropic organizations to support their projects as state and federal financing dries up.

It took two years for Clare Terrace to seal financing, helped along by efforts launched by the state and Hennepin County to curb homelessness. Most tenants at the Robbinsdale complex will be chronically homeless, with HIV or AIDS and possible mental health issues.

Residents will likely rely on \$200-per-month general assistance as their main income, Peterson said.

"Because we're serving that population, it helps us be more competitive in funding rounds," he said. "We're aligned with plans to end homelessness."

The project marks Clare Housing's first foray into the suburbs. In Minneapolis, the organization operates the 32-unit Clare Apartments and the 45-unit Clare Midtown plus four community care homes and 23 separate units. Next year, it will start building Marshall Flats, another state-backed complex in the city.

Still, the Robbinsdale site offers easy access to downtown with a bus stop out front and down the line it could sit near the planned Blue Line light rail extension. It is also near a grocery store and a North Memorial clinic.

Marshall Flats, expected to open in summer 2017, will likely be Clare Housing's last project for a while. Shrinking federal rent subsidies for those in the lowest income bracket constrains the funding available for the organization to keep up on-site services.

"It's getting more and more difficult for us to build housing that serves that population because rent is the income that keeps the building operating," Peterson said. "If there's no rental subsidies, we can't house people. That's a huge hurdle."

The first residents will move into Clare Terrace on Wednesday. The rest will filter in between then and early March.

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