

**AFFORDABLE HOUSING FINANCE****SPECIAL MENTIONS****Rainbow serves chronically homeless****By Donna Kimura and John Zipperer**

AFFORDABLE HOUSING FINANCE • AUGUST 2006

*The following projects were not named as finalists but deserve special recognition.*

**Los Angeles**—The Rainbow Apartments is a valiant effort by Skid Row Housing Trust to serve Los Angeles' neediest at a time when market-rate loft developers have pushed into downtown, snatched up the available properties, and begin gentrifying the area.

The need for the project is obvious. Just behind the development is San Julian Street, a stretch of Skid Row where a closely packed line of homeless people camp and live each day.

The Trust is working to acquire other properties in the area but is having to compete against speculators, said Cristian Ahumada, director of housing at the Trust.

The approximately \$17 million Rainbow Apartments is the first new permanent supportive housing project dedicated to serving the area's many chronically homeless. The project was designed to have 87 efficiency units and two managers' units. Ten of the units are targeted for individuals earning no more than 30 percent of the area median income (AMI). There are 30 units at 35 percent of the AMI, and 47 units at 45 percent of the AMI. The project will use Shelter Plus Care subsidies.

Financed with the help of low-income housing tax credits (LIHTCs) syndicated by Enterprise Community Investment, Inc., the development was nearing completion in July. The Los Angeles Housing Department and the Housing Authority of the County of Los Angeles also participated in the financing.

Residents will have access to on-site supportive services, including case management, counseling, mental health support, recovery support groups, and educational workshops.

The Los Angeles County Department of Mental Health is referring clients to the Rainbow Apartments. There, many will for the first time receive services under the Mental Health Services Act, a state initiative approved by voters in 2004 that dedicated resources to assist Californians with severe and persistent mental illnesses. As a result, Rainbow will likely be one of the first new construction projects serving chronically homeless individuals to receive the new funding.

Founded in 1989, the Trust owns 19 properties and operates more than 1,100 units of permanent affordable housing in the area.

**Housing for the mentally ill**

**Wilsonville, Ore.**—Northwest Housing Alternatives, Inc. (NHA), is overcoming neighborhood opposition to housing for the mentally ill by having the housing included from day one as part of a master-planned community.

In this small community about 15 miles south of Portland, NHA's new Hearthstone development will provide private bedrooms and bathrooms, along with on-site support staff to five adults living with major mental illness. Tenants cannot earn more than 50 percent of the area median income

and will pay \$451 per month for room and three meals a day. Two ground-floor rooms will accommodate tenants with impaired mobility.

The building was designed and built by the same contractors who are building the surrounding single-family homes. As a result, Hearthstone will look like the homes around it, reducing the likelihood that the project will stick out like a sore thumb and draw opposition. Rather, it is "woven into the fabric of the new community," according to NHA Executive Director Martha McLennan.

The state, the local community, and the housing industry supported the project and helped Hearthstone become a reality that will be debt-free when it is completed in August 2006. The \$430,000 cost was largely covered by donations of the land (which was a portion of a mental health facility property that was redeveloped into the Villebois master-planned community) and much of the labor and construction materials.

## **Designed to help the blind**

**Portland, Maine**—Blind and visually impaired residents are getting new housing designed to help them live independently.

Iris Park Apartments, developed by the Iris Network, features 30 units that help blind residents by including aids such as Braille signage and texture controls for appliances. There are also design features for residents who are not blind but have impaired vision, such as walls and floors with highly contrasting colors for orientation.

Iris believes its development is only the second low-income housing complex in the U.S. that is designed for people who are blind or visually impaired. The first such building, Milwaukee's 58-unit Hawley Ridge Apartments, was developed by the Badger Association of the Blind and Visually Impaired, Inc., and placed in service in 2002. It includes many of the same features as Iris Park.

The \$5.8 million project involves the conversion of a 15-unit, dormitory-style building into independent-living apartments and the construction of 15 new units. Financing includes \$4.5 million in 9 percent LIHTC equity from the Northern New England Housing Investment Fund; a \$600,000, 30-year loan from the Maine State Housing Authority, and a \$250,000, 30-year loan from the city of Portland.

Iris Network reports that the housing subsidy dollars will help it reduce the amount of scarce Medicaid funds it needs, from \$86 per day per resident before the conversion to \$36 per day per resident in the new building.

**[Affordable Housing Finance magazine home](#) | [HousingFinance.com home](#)**