Enterprise is a leading advocate for the Section 4 Capacity Building for Community Development and Affordable Housing (Section 4) program. Over the past 10 years, Enterprise has distributed approximately $80 million in Section 4 grants and loans to more than 900 local nonprofit organizations across 48 states and Puerto Rico. These organizations develop affordable housing, finance small businesses, revitalize commercial corridors, and help address local health care, child care, education and safety needs.

Section 4 is the only federal program that is exclusively focused on increasing the effectiveness of these organizations. Through grants, loans, training and guidance, Section 4 provides local organizations with the staffing, program development and financial resources to maximize the impact of the services they provide and ensure the long-term sustainability of their investments.

With Section 4, organizations develop core skills that strengthen their ability to implement HUD programs, raise capital for community development and affordable housing, coordinate on cross-programmatic, place-based approaches, and facilitate knowledge sharing.

**Spotlight on Section 4 Grantee: Cesar Chavez Foundation**

The Cesar Chavez Foundation’s (CCF) mission is to enrich and improve the lives of farm worker and Latino families outside the workplace by meeting their essential human, cultural and community needs. While each diverse Latino community has its own unique set of challenges, they all share the common aspiration of providing a better life for their families. CCF aims to help meet this common aspiration through services and programs designed to broaden horizons and enrich lives.

CCF’s Housing and Economic Development Fund (HED) develops high-quality, service-enhanced affordable housing for working families and seniors. To date, CCF has completed over 300 single-family homes for sale to low-income households and over 4,000 units of affordable rental housing at more than 30 developments in California, Arizona, New Mexico and Texas.

**Local challenge**

California is a leader in energy conservation in commercial, public and multifamily residential properties. Retrofitting older, existing structures with energy-efficient improvements not only benefits the environment through a reduction in greenhouse gas emissions, but it also helps improve the financial stability and sustainability of affordable rental housing developments.

By controlling energy expenses over the long-term, retrofitting properties can produce significant cost savings that can help protect this community asset. CCF saw energy-efficient retrofits as an important tool for improving the sustainability of all of its operations, but it lacked the expertise and capacity to create and implement a comprehensive strategy.
How Section 4 funds were used

Section 4 grant funds provided the seed funding for CCF to launch a program to support its long-held goal of improving the sustainability of all of its operations. With an investment of $21,000, CCF was able to engage consultants to train staff on how to create a retrofit strategy and pilot program in 2011. Initially, CCF’s goal was to retrofit 30 properties in four Southwestern states.

The Section 4 grant jumpstarted CCF’s retrofit pilot programs at two affordable housing sites for large families in rural communities: the Gilroy Apartments, a 111-unit development in Gilroy, California, and Villa Luna, a 116-unit development in Hollister, California. CCF hired energy consultants to help prepare the properties’ energy audits, develop a strategy to implement the capital improvements identified in the audits, and implement utility tracking at these and other properties so that ultimately the organization can roll out an energy use and capital improvement analysis for all CCF properties.

The retrofit pilot program was very successful. The completed energy audits provided a menu of retrofit opportunities at the two developments, resulting in $100,000 of improvements, including the replacement of faucets and toilets and the installation of insulation and energy-efficient water heaters, refrigerators and lighting. Completed in 2012, these improvements resulted in a reduction of energy and water expenses by approximately 15 percent, providing a significant and immediate benefit to the environment and the organization.

How Section 4 funds enhanced capacity of organization

Since receiving a Section 4 grant in 2011, CCF has expanded its focus on energy efficiency. To date, CFF has renovated three additional properties in California, resulting in decreased energy consumption of 9 percent, 10 percent, and 20 percent, respectively. In turn, this has helped increase the financial health of the properties and CCF.

Moreover, CCF will launch its first major refinance-renovation in 2016. One of the lessons learned from CCF’s Section 4 grant – which initially focused on simple retrofit projects – was the need for a long-term financing strategy to undergo extensive renovations combined with energy and water retrofits. This approach to sustainability prompted CCF to engage the U.S. Department of Housing and Urban Development (HUD) on successful strategies.

Recently, CCF adopted a policy of only installing energy-efficient appliances – when feasible – in its new construction, rehabilitation and retrofit projects, underscoring CCF’s commitment to adopt and institutionalize a sustainability approach to all of its affordable housing activities. In addition, staff in CCF’s Property Management Company have become certified in Green Property Management, an official certification that signifies that the staff person is educated on green building principles and best practices and HUD Office of Affordable Preservation (OHAP) established guidelines.

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