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: El Centro de la Raza**

El Centro de la Raza is a voice and a hub for the Latino community in Seattle and King County. Through its comprehensive programs and services, including child and youth programs, human and emergency services, education and skill building programs, and community building and development, El Centro de la Raza empowers members of the Latino community as fully participating members of society. It also works to raise awareness with the general public, and government, business and civic leaders about the needs of the Chicano/Latino community in the United States.

**Local challenge**

In recent years, rent in Seattle has soared, changing the face of many of its most beloved and diverse neighborhoods. As revitalization and redevelopment inject new life into areas rich in amenities, such as rapid transit, good schools, employment and retail, long-time low- and middle-income workers are often priced out of their homes.

Seeking to provide a heart for their “beloved community” in the fast-changing Beacon Hill neighborhood in Seattle, El Centro de la Raza committed to transform the surface parking lot adjacent to their headquarters and a new light rail station into a community-inspired development with homes, retail and community space, and a “village center.” The development is located in a neighborhood that is desperate to retain affordability and diversity, but that is threatened by rapid gentrification.

While El Centro had long been a community development and social service organization, it had limited experience developing and owning large-scale affordable housing developments. Staff and board members needed extensive training to prepare the organization to take on and effectively manage such a large asset.
How Section 4 funds were used

In 2012, Enterprise provided El Centro de la Raza an $80,000 Section 4 grant as well as $450,000 in Section 4 loans to help the organization successfully develop Plaza Roberto Maestas. This project, opening in 2016, includes 114 affordable homes, micro-retail space, and affordable daycare in an incredibly connected location, with downtown job centers and educational opportunities a ten-minute light rail ride away.

Specifically, funds were used to:

- Train the organization’s board of directors, executive leadership, and staff on asset management and developing projects using the Low-Income Housing Tax Credit (Housing Credit).
- Provide predevelopment design and feasibility work to advance the project, including extensive community outreach and program planning, architectural and engineering services, permitting and design review processes.
- Support applications for multiple types of public and private project funding.
- Facilitate advanced community-based green design.

How Section 4 funds enhanced capacity of organization

The Section 4 grant and loan helped El Centro de la Raza improve staff and board capacity to develop and manage affordable housing and mixed-use developments. As a result of robust training in property and asset management, as well as technical assistance on predevelopment for the large Plaza Roberto Maestas project, the organization was able to gain the confidence of public funders and received not only a highly competitive 9 percent Housing Credit allocation, but also the largest award from the Seattle Housing Levy to that point.

With this investment, El Centro de la Raza:

- Created and modeled a new standard for community-inspired, transit-oriented development in Seattle and around the country.
- Developed a $45 million, 114-unit, mixed-use, affordable housing community planned in response to growing needs, including a critical need for affordable housing, economic opportunities and job creation, early childhood development and education, and community gathering spaces.
- Gained the financial and management skills needed to expand its existing services, create space for new services, add community meeting spaces and create options for affordable housing units and opportunities to generate earned revenue through retail spaces and other business ventures.
- Gained better access critical financing sources, including the highly competitive Housing Credit.

For more information about this project, please contact: M.A. Leonard, 206.223.4519, mleonard@enterprisecommunity.org.

For more information about the Section 4 program, please contact: Sarah Mickelson, 202.649.3903, smickelson@enterprisecommunity.org.