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: Guadalupe Community Development Corporation**

Since 1992, the Guadalupe Community Development Corporation (GCDC) has promoted and developed affordable housing for rural households and Native American families in Guadalupe, Arizona. Working with for-profit partners, GCDC has developed 90 for-sale homes, two multifamily rental properties, a 72-unit workforce housing development and a 65-unit senior apartment community. As a local leader in affordable housing, GCDC is committed to expanding its capacity to serve the families of Guadalupe. In particular, GCDC works to improve upon green energy standards, with the goal of offering its residents the healthiest, most energy-efficient and most affordable homes possible.

**Local challenge**

The town of Guadalupe was founded by Yaqui Indians, and almost half of the town’s 6,000 residents are Native Americans and tribally enrolled. One in three Guadalupe residents lives below the poverty line – nearly twice the state average. Vacancy rates are low, and decent, affordable housing for very low-income households is hard to find. Affordable homeownership opportunities, in particular, are limited, as Guadalupe has historically lacked an infrastructure to help low-income families pursue homeownership.

GCDC recognized that it needed to expand its services and capacity to address the needs of Guadalupe residents. The organization identified three areas for growth: expanding into housing counseling for low-income homebuyers, increasing its green building expertise, and taking on the management of its own rental portfolio, instead of paying for third-party property management. With a two-person staff and a seven-person board, these changes would require significant capacity increases in planning, oversight and compliance.
How Section 4 funds were used

A $25,000 grant from Enterprise allowed GCDC to increase green building capacity, receive counseling training and strengthen organizational sustainability. Specifically, funds helped GCDC:

- Identify and incorporate extensive, energy-efficient green building design features with the help of an engineering consultant, resulting in six new LEED GOLD-certified homes in the Colonia Lupita subdivision that were sold to low-income and tribally enrolled Native American families.

- Send staff members to trainings addressing fair housing, Building HOME (HUD) and Low-Income Housing Tax Credit (Housing Credit) projects.

- Develop and administer site assessments for GCDC’s two multifamily communities.

- Pursue technical assistance, conduct two-day training with the GCDC board of directors and staff for property management with a focus on the Housing Credit, and develop a self-management manual.

How Section 4 funds enhanced capacity of organization

With the support of Section 4 funding, GCDC also improved staff and board capacity to better manage properties and provide vital counseling services:

- Self-management of the GCDC-built 65-unit senior apartment community and 72-unit workforce housing will provide a consistent funding source for GCDC.

- The capacity investment in the board of directors strengthened its ability to provide effective oversight.

- GCDC embarked on the process of becoming a HUD-certified Housing Counseling Agency, which would fill a major counseling gap in the community.

Section 4 also helped further the organization’s green building goals, leading directly to significant cost savings. GCDC is now better able to employ energy-efficient design standards and permit plans at minimal additional costs. Knowledge of energy-efficient construction methods, as well as LEED and HERS (Home Energy Rating System) rating systems, led directly to increased rebates from local electric and gas utility providers. The architect/design consultant hired with Section 4 funds found new efficiencies in water use and site elevations, resulting in significant additional savings. These relationships with architects, consultants and engineers will continue to pay dividends for GCDC in the future.

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