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: Providence Community Housing**

In the wake of Hurricane Katrina, representatives from several New Orleans faith-based organizations joined forces to address the critical need for affordable and supportive housing in southern Louisiana. As a result, Providence Community Housing (Providence) was formed, with the ambitious goal of creating 7,000 safe, healthy and affordable homes for displaced hurricane victims.

Since 2006, Providence has built or rehabbed over 2,000 homes and apartments, with another 265 in development. Working with partners and over 30,000 volunteers, Providence has also cleaned and gutted another 2,000 flooded homes owned by seniors and low-income families. In addition, Providence provides all residents of its properties with access to high-quality social services and manages the Sojourner Truth Neighborhood Center, which offers individual case management and supportive services for the residents of Faubourg Lafitte and the surrounding Treme community.

**Local challenge**

Hurricanes Katrina and Rita and the resulting floods caused severe damage to 265,000 homes in Louisiana and Mississippi. Nearly half of the families whose homes were damaged were low-income. At the time, the local affordable housing and community development industry was relatively inexperienced and operated at a small scale, with little infrastructure in place to support housing production or the work of community-based organizations. Once formed, Providence had to ramp up quickly both to meet these critical housing needs and to take advantage of time-limited federal and philanthropic resources that flowed into the region to support rebuilding post-Katrina.

Generous private, federal and philanthropic funding and incentives paved the way for Providence’s initial development pipeline, but the national financial crisis that began in late 2007 dramatically reduced investor appetite for key affordable housing financing sources. At the same time, federal disaster recovery resources began to dry up, incentives for private-sector investment expired, and national attention turned to new disasters. As with many developers, several projects in Providence’s development pipeline stalled, resulting in delayed developer fees, higher than expected holding costs and, ultimately, threats to Providence’s ability to fund its operations and vital services.
How Section 4 funds were used

Section 4 has been crucial to Providence’s growth and success. Early on, Section 4 grant and loan funds helped Providence expand its housing production capacity by funding staff, consultants and predevelopment activities. Section 4 also helped Providence quickly establish a track record and successfully compete for millions of dollars in federal and philanthropic disaster recovery resources. As recovery resources were depleted, Section 4 helped Providence maintain operations, meet financial and compliance obligations, and regain its financial health.

Since 2006, over $1.5 million in Section 4 grants and loans from Enterprise have helped Providence:

- Develop and complete organizational strategic plans, project feasibility studies, community needs assessments and compliance training for federal funding.
- Acquire scattered-site properties, cover legal costs and undertake project predevelopment activities, including architectural and environmental studies.
- Move stalled and long-term projects through the development pipeline.
- Plan for and incorporate green building practices into new and renovated housing.

More recently, Section 4 has supported Providence’s redevelopment of the 27.5-acre site of the former Lafitte public housing complex and infill development in the surrounding community of Treme/Lafitte. The new community – Faubourg Lafitte – will provide a one-for-one replacement of Lafitte’s pre-Katrina affordable units and will eventually consist of 1,500 affordable and market-rate rental and for-sale units. Because a resident needs assessment survey made possible through a Section 4 grant revealed a critical need for economic and educational programs for adults and youth, as well as health and wellness programs for seniors, Providence created the Sojourner Truth Neighborhood Center as the hub for services to link Lafitte and Treme residents to opportunity.

For more information about this project, please contact: Monica Gonzalez, 504.335.2307, mgonzalez@enterprisecommunity.org.

How Section 4 funds enhanced capacity of organization

Access to no-cost, flexible working capital loans from Section 4 empowered Providence to manage expenses, eliminate bad debt and diversify revenues. With a strengthened financial base, Providence has continued to expand affordable rental and homeownership opportunities for returning residents of Faubourg Lafitte, as well as the greater New Orleans area. With the support of Section 4, Providence has:

- Completed 577 units of senior housing in five Low-Income Housing Tax Credit properties.
- Finalized a 100-unit, new construction affordable housing rental property.
- With its development partners, completed 276 subsidized rental units at Faubourg Lafitte, 106 offsite rental units and 93 affordable offsite for-sale homes for residents of Lafitte and Treme.
- Acquired a vacated site in the 7th Ward to develop commercial space, 44 units of affordable rental and nine market-rate rental homes.

Through Section 4, Providence has strengthened and expanded partnerships with local service providers to serve Faubourg Lafitte’s residents. Providence has:

- Provided residents access to improved education, health care, financial literacy, nutrition education, job training and small business development programs.
- Established a structure to continue case management support for Lafitte residents as they resettle in the community.
- Partnered with Young Audiences of Louisiana to offer a comprehensive after-school program with an arts-integrated curriculum at Sojourner Truth.
- Constructed playgrounds and fitness areas and provided a structured youth tennis program in partnership with the United States Tennis Association.

Today, Providence is one of the largest nonprofit affordable housing developers in the region, with a stable, well-performing real estate portfolio, and offers a diverse array of community and social services.

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