Enterprise is a leading advocate for the Section 4 Capacity Building for Community Development and Affordable Housing program. Over the last 20 years, Enterprise has distributed over $125 million to more than 1,250 community development organizations throughout the country. Section 4 strengthens the nation’s lower-income urban and rural communities by bolstering local nonprofit community developers.

Since Congress authorized the program in 1993, Section 4 has been the sole HUD program specifically designed for nonprofit capacity building. Section 4 is an important, unique and efficient program that leverages significant private capital using minimal federal dollars. This program creates jobs, supports small businesses, builds housing and strengthens communities.

Capacity building develops core skills that strengthen the ability of organizations to implement HUD programs, raise capital for community development and affordable housing projects, coordinate on cross-programmatic, place-based approaches and facilitate knowledge sharing. Capacity building remains a key part of HUD’s Strategic Plan for FY2010-2015.

**Spotlight on Section 4 Grantee: Heartland Housing, Inc.**

Founded in 1989 as the community development subsidiary of Heartland Alliance, Heartland Housing, Inc. was one of the first supportive housing providers in the United States, combining housing development with supportive services to empower individuals and communities to thrive. Heartland Housing has developed nearly 1,850 units and currently manages 850 units of quality, safe affordable housing for the most vulnerable populations in the Chicago region and across the Midwest. Heartland also oversees a wide variety of housing programs and services provided to homeless families and individuals who suffer from mental illness, substance abuse problems and other barriers to housing stability.

**Local challenge**

According to the National Alliance to End Homelessness, the increase of permanent supportive housing has significantly contributed towards a downward trend in chronic homelessness nationwide for those individuals with disabling conditions who frequently face homelessness or remain homeless for extended periods of time. However, a lack of funding for permanent supportive housing and services has been a major driver in the persistence of chronic homelessness throughout the Chicago region. Seeking to expand its capacity to decrease chronic homelessness rates in the region and push the envelope on green building and resident services, Heartland needed to lock in access to flexible capital and build on organizational expertise.

**How Section 4 funds were used**

Enterprise uses Section 4 funds to support Heartland Housing’s ongoing effort to serve at-risk populations. In 2012, Heartland Housing utilized a $55,000 Section 4 grant from Enterprise to fund a resident engagement program focusing on individuals who have experienced or are at risk of chronic
homelessness and serious illness. Centered on healthy and green living at Harvest Commons, the resident engagement program helped educate 89 residents at Harvest Commons on good nutrition, food growth and preparation, recycling, energy and water conservation, and green housekeeping. Harvest Commons features an on-site urban farm from which residents receive a share of the crop, a nutritionist who teaches cooking and healthy eating classes, and a solar-powered chicken coop.

With a $250,000 Section 4 working capital loan from Enterprise, Heartland accelerated the development of the Midwest’s first LGBTQ-friendly, affordable senior housing building, which is now under construction. Partnering with Center on Halstead, this new development will provide low-income seniors with a safe place to live and receive vital services, which Enterprise also supported through a $32,000 Section 4 service planning grant.

Most recently, Heartland has used Section 4 funds to push the envelope on its green building commitment and more deeply engage residents in green practices. Enterprise provided a $50,000 Section 4 predevelopment grant to help Heartland pursue LEED-ND Gold or Platinum certification standards for the redevelopment of a 35-acre, 27 building former Chicago Housing Authority project, the Julia C. Lathrop Homes. The Lathrop Homes redevelopment will include the revitalization of 925 public housing units into a vibrant and sustainable mixed-income community that will provide access to opportunity for low-income families.

How Section 4 funds enhanced capacity of organization

Section 4 funding has been a vital resource to help Heartland advance complex projects and expand its internal capacity to engage with residents in project planning and service delivery. The combination of Section 4 grants and flexible, low-cost Section 4 loans have enabled Heartland to:

• Develop supportive housing capacity and the ability to understand and meet the targeted needs of at-risk populations such as formerly chronic homeless individuals at Harvest Commons and low-income seniors at Heartland’s LGBTQ-friendly senior housing development.

• More actively engage residents in the planning process, including everything from building design to unit layouts to interior community spaces.

• Test new models to better serve its residents, such as the use of community farms and gardens as a way to engage and educate residents.

• Repurpose the historic Town Hall Police Station as a 79-unit, LGBTQ-friendly building that will attract and host community partners such as Center on Halstead for key service provision.

• Increase its green building planning and development capacity, which Heartland is now employing through the redevelopment of the Lathrop Homes complex.

Section 4 funding has advanced Heartland Housing’s development and housing efforts, but the effects of Section 4 go further, highlighting new models for helping residents with low incomes in Chicago and across the Midwest become healthier, more engaged in their communities and better stewards of their homes and environment.

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