

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: DHIC, Inc.

Established in 1974, DHIC, Inc. is a nonprofit organization dedicated to the development of high-quality housing communities in the Research Triangle region of North Carolina. The organization emphasizes innovation, quality, attractive design and green features at its properties, nearly all of which target low-income residents.

To date, DHIC has constructed, acquired and rehabilitated 2,200 units of affordable rental housing across seven counties in North Carolina and has created more than 350 new homeownership units in Wake County. Together, these projects leveraged \$202 million in private and public investment. DHIC has received numerous design, community service and management recognitions and is consistently rated as an “Exemplary” member of the NeighborWorks<sup>®</sup> America national network of nonprofit community developers. DHIC is also a member of the Housing Partnership Network.



### Local challenge

Built in 1950, Washington Terrace is a 25-acre, 245-unit affordable rental housing community located east of downtown Raleigh, adjacent to St. Augustine’s University. One year after Washington Terrace went into foreclosure in 2013, DHIC acquired the property with the goal of transforming the distressed and aging neighborhood with new opportunities for better quality affordable housing and access to services. The surrounding, predominantly

African-American neighborhood has experienced significant displacement in recent years due to gentrification, and the need for affordable housing was significant.

DHIC wanted to integrate green, energy-efficient and healthy features into the multiphase redevelopment process. To do so, the organization needed help preparing a master plan with significant community engagement that incorporated innovative green design principles.

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## How Section 4 funds were used

In 2014, DHIC used \$35,000 in Section 4 grant funds to incorporate green design principles in the master plan for redevelopment of Washington Terrace that will guide its work as it redevelops the property over the next five or more years. The master plan calls for DHIC to tear down 66 existing buildings and to replace them with an estimated 300 to 400+ new units of rental housing and homeownership opportunities, a childcare center, greenspace and common areas. The redeveloped property will also provide community and open spaces, as well as options for commercial uses.

The Section 4 grant also allowed DHIC to incorporate a thorough and extensive public participation process and the best practices of sustainable planning and quality design in the development of the master plan. Specifically, Section 4 grant funds allowed DHIC to:

- Conduct at least one design charrette and coordinate a community/stakeholder engagement process, which will include a green and sustainability component, incorporating Enterprise Green Communities design principles allowing for possible future certification.
- Incorporate best practices for storm water management and conservation measures into the designs.
- Explore and incorporate energy innovation practices to use natural resources for energy efficiency and savings.

## How Section 4 funds enhanced capacity of organization

DHIC envisions that its redevelopment plan for Washington Terrace will help make a transformative change in the immediate neighborhood and serve as economic stimulus for this part of southeast Raleigh.

With the support of Section 4 grant funds, DHIC became much more experienced in major master planning with significant community engagement and began developing deeper working relationships with potential local partners, including government, universities, citizen-based organizations and other nonprofits. Through the process, DHIC learned from the existing residents and was able to investigate and begin planning to implement green design principles and storm water cost sharing programs.

The investment of Section 4 funds helped DHIC build their capacity in the following ways:

- A draft master plan for the Washington Terrace site has been completed, including green and sustainable design principles. The master plan calls for DHIC to tear down 245 aging housing units and to replace them with an estimated 300 to 400+ new units of affordable rental and owner-occupied housing.
- Staff gained first-hand experience producing predevelopment resources, including a project program, design brief and request for proposal (RFP).
- The organization developed new, collaborative working relationships with community-based partners, including the City of Raleigh Urban Design Center, appropriate citizen advisory councils, St. Augustine's University, health services providers, and other community service providers and employers in Southeast Raleigh.
- Staff learned how to better engage local stakeholders for future master planning efforts.
- Staff learned how to better incorporate green design principles into its redevelopment efforts. To date, DHIC has developed three LEED Certified multifamily developments. It is the only multifamily developer in the Research Triangle Region that has received LEED certifications.

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