

# The Wells Fargo Regional Foundation: A Decade of Success Investing in Neighborhoods and Communities

Melissa Fernandez 27 January 2016

For almost twenty years, the Wells Fargo Regional Foundation (WFRF) has been a key player in efforts to revitalize neighborhoods in Eastern Pennsylvania, New Jersey and Delaware, helping to breathe new life into low-income communities and engage residents in community revitalization efforts. The mission of the Foundation is to improve the quality of life for children and families living in low-income communities. Since 2003, the Foundation has been providing place-based neighborhood planning and implementation grants, sparking progress directly at the neighborhood level, encouraging resident participation, long-term sustainability and restoring a sense of pride in previously neglected communities.

How the Foundation arrived at this strategic focus on neighborhood development was multifaceted. One driving force, according to Denise McGregor Armbrister, senior vice president and executive director of WFRF, was the potential to more directly engage residents and other key

stakeholders that make up a community. "Resident involvement is a critical component to having a well-informed revitalization plan, as well as being important to the success of the implementation of that plan."

With this in mind, Armbrister explained that WFRF offers long-term funding opportunities to organizations with projects that have a focus on both people and places which bring measurable, longstanding results to the community. She explained that the multi-year nature is a distinguishing feature of WFRF grants because the Foundation understands that it takes a prolonged period of time to maximize results in communities that have faced long-term disinvestment.

The primary grants that WFRF awards are Neighborhood Planning Grants and Neighborhood Implementation Grants. Neighborhood Planning Grants, as the name implies, fund the creation of a comprehensive, resident-driven neighborhood plan. The needs identified in the creation of the plan may be social, such as improving access to educational programs for low-income children, or physical, such as renovating public space for play and recreation or building new homes.

During the planning stage, the grantees organize community members and stakeholders, gather feedback, survey residents and synthesize the data gathered to identify key revitalization strategies for their neighborhood. Upon completion of the plan, grantees

hope to have increased resident engagement in the revitalization process. Assuming a successful planning process takes place, grantees are eligible to apply for additional implementation funds from the Foundation. The organizational infrastructure which is developed during the planning process sets the groundwork for successful long-term implementation.

Throughout both planning and implementation, all grantees are required to include residents in the process as well as regularly solicit their feedback throughout the initiative, with surveys and regular community meetings required at specific intervals. Participation options are numerous , including appointing residents to steering committees as well as measuring residents' perceptions of their quality of life and outlook for their neighborhood through surveys.

In addition to an organization's ability to demonstrate resident engagement, WFRF considers other factors both when awarding and renewing grants. A key consideration for the Foundation is the organization's relationship with other stakeholders and the residents. "Are they a trusted organization within the community?" asks Armbrister. She explained that questions such as this help predict a grantee's capacity to build partnerships, as well as secure the additional funding that will be necessary to see plan implementation through to completion.

The Foundation also looks at an organization's current

financial situation, assessing its stability, and considers a community's readiness to undertake an extensive neighborhood planning process and subsequent implementation activities. These considerations guide WFRF as it looks to fund those organizations that are most likely to bring positive, community-embraced change into low-income neighborhoods and reduce the deficits in opportunity that divide so many neighborhoods across the country.

Once a grant has been awarded, WFRF remains committed to the organization and the success of the revitalization initiative, offering support in multiple formats including consulting and technical assistance. But when an organization experiences an unforeseen challenge in meeting proposed goals, support can mean amending the project goals. An example of this was when the Great Recession hit and many of the housing projects found themselves off-target because their focus had been increasing home ownership in low-income communities. With the overall goal of achieving housing stability, the Foundation supported grantees in their shift to foreclosure prevention, still within the spirit of stability and suggesting that WFRF as a funder is both pragmatic and fluid if it leads to greater success for projects.

To measure the impact of WFRF's funding within neighborhoods, in 2014, the Foundation underwent a formal evaluation of their portfolio of grants co-led by The Reinvestment Fund (TRF) and Success Measures at

NeighborWorks America. The report, found [here](#), analyzed data between the years of 2003 and 2013, during which WFRF awarded 140 grants through their Neighborhood Grants Program totaling \$41.69 million, and leveraged \$231.5 million in direct and indirect neighborhood investment. What they found is that their approach has made positive impacts in neighborhoods when compared to similar control neighborhoods. In addition, the Foundation believes that a resident-driven, long-term approach to revitalization is a replicable model which can demonstrate successes in communities outside of its grantmaking footprint.

One of the essential factors that the report used to determine a project's success is the change in home values in a particular neighborhood, which can be considered a strong indicator of a neighborhood's desirability. WFRF found that a majority of its grantees saw improved home sales prices within their neighborhoods during their funding period when compared to similar neighborhoods where the Foundation was not funding, and that this outperformance extended beyond the funding period in most cases, indicating progress. Particularly noteworthy from the report is notion that physical projects come with the greatest inherent risks, but they are more sustainable than social projects, and the most sustainable projects are those that are both physical and social in nature.

In addition to improved housing markets, the report

highlighted the heightened sense of community that many of these neighborhoods experienced based on WFRF's investments, as evidenced through the required resident surveys. The surveys measured overall satisfaction, including resident perception of housing affordability and conditions, feelings of safety, quality of public schools and other quality of life indicators. Based on the responses collected over the ten-year reporting period, several neighborhoods receiving WFRF funding saw marked improvements in these areas.

WFRF has learned many lessons through its resident-focused long-term approach to grant-making and furthermore sees how this model can be leveraged throughout the country. In fact, Wells Fargo has recognized the successes of the Regional Foundation and is piloting similar programs in three other cities in which the Company operates and hopes that the lessons that the Foundation has learned will be realized in similar successes. One critical piece of wisdom they share is that for change to have greater reach and be longstanding, despite changing economic conditions, it requires planning, flexibility and time. Armbrister stresses the importance of investing in the organizations leading the neighborhood revitalization efforts holistically. "We are not interested in just cutting a check. We are partnering with them."

In just a relatively short period of time, the Wells Fargo Regional Foundation has funded significantly impactful

projects and shown that its approach to grantmaking, rooted in a strong commitment to resident engagement and long-term sustainability, is measurably improving neighborhoods throughout Eastern Pennsylvania, New Jersey and Delaware. WFRF is doing so much more than rehabilitating parks and expanding access to programs; its work helps to instill a broader sense of pride and progress in communities, inspiring residents to continue to seek change and keep the momentum going for years to come.