

Wells Fargo Announces \$1 Billion Affordable Housing Commitment

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The lack of affordable housing has caught the attention of Wells Fargo and the banking giant isn't taking it lightly and has unveiled an ambitious plan to tackle the problem.

Candy Moore, the senior vice president and manager of Wells Fargo's Community Relations and Southeast Community Development, told NNPA Newswire that the company will invest \$1 billion over the next five years from its business and foundation to help make housing more affordable.

"We will address three key issues in underserved communities that have been plagued by the lack of affordable housing - housing affordability, financial health and small business growth," said Moore.

"Charitable giving has always been a part of our history," Moore said.

"And, we feel we should be doing even more to address the systematic changes in affordable housing and uncover new ways to increase the availability and sustainability of affordable housing," she said.

Moore noted that if one took the available affordable housing units in Washington, D.C., Philadelphia, Chicago, Los Angeles, Houston and Atlanta, it would still fall

far short of meeting current housing demands.

"We want to continue to help the underserved reach their full potential with the support we're offering through our philanthropic efforts," Moore said.

The \$1 billion pledge is part of a larger effort for the bank to overhaul its philanthropic strategy, Moore said.

As part of their commitment, Wells Fargo aims to donate two percent of its after-tax profits to corporate philanthropy concentrating on housing affordability, small business growth and financial health, she said.

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During a June presentation to the NNPA's member publishers, Moore shared a video that underscored the importance of Wells Fargo's new initiative and why it's vital to people of color and others in underserved communities.

The video presentation highlighted the Parkway Overlook Apartments in Washington, D.C. whose

residents were unexpectedly forced to relocate when the development closed in 2008.

As a result of the efforts of two former residents who fought hard for the community, working together with Wells Fargo and the District of Columbia, the apartments are being redeveloped a decade later.

"I feel like a mother who watched her troubled child in school finally graduate from high school," said Rufaro Jenkins, one of the residents who is now a homeowner.

"I used to tell them in meetings that Parkway Overlook was one of my children. Mothers protect their children, and I was going to protect Parkway Overlook," Jenkins said in the video presentation.

After a 10-year process to secure approval and funding to rebuild the community, the renovations to Parkway Overlook are currently underway, and construction is expected to be completed this year, providing 220 apartments of affordable housing for families in Ward 8, which is considered one of DC's poorest areas.

While Jenkins and former resident and fellow Parkway Overlook Tenants Association member Cynthia Eaglin are happy about the redevelopment, it's been a long journey, they said in the video.



Cynthia Eaglin and Rufaro Jenkins in front of their former home at Parkway Overlook Apartments in Washington, D.C.

The two have worked with Washington Interfaith Network - or WIN, a grassroots organization that brings citizens and residents together to develop solutions for communities - in this case, coming up with a strategy, bringing former residents together, and meeting with local leaders, according to the video.

The biggest hurdle, though, was getting funding to redevelop Parkway Overlook, said Jennifer Knox, lead organizer for WIN.

In 2014, Mayor Muriel Bowser, then chairwoman

of the city council's Committee on Economic Development, brokered a deal with the D.C. Housing Finance Agency and District of Columbia Housing Authority to take control of the property and finish the renovations, said Merrick Malone, director of the Office of Capital Programs for the District of Columbia Housing Authority.

Ultimately, Wells Fargo provided the construction loan and equity for the project development, D.C. Department of Housing and Community Development provided

\$20.1 million in financing toward the project, and the D.C. Housing Finance Agency provided bond financing in the amount of about \$38 million and low-income housing tax credits.

"We will need to work with you," Moore told NNPA publishers. "We will need to work with civic leaders, local governments, and residents to address the full spectrum of housing affordability," she said.

To learn more about the Wells Fargo initiative and for the full Parkway Overlook story, click here.

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conflict, which is fundamentally over Beijing's aggressive drive to supplant America's technological dominance.

Balanced against a possible truce in the trade war are events that could undercut the economy, from a strike at General Motors to the attack that has temporarily reduced Saudi Arabia's oil production. The Trump administration says Iran is behind the attack, raising already high U.S.-Iran tensions.

So far, most economists say the temporary loss of Saudi production won't end up hurting the U.S. economy, primarily because there remains plenty of global supply.

"Higher oil prices are not the big economic deal that they have been in decades past," said Mark Zandi, chief economist at Moody's Analytics. "I suspect the Fed will look through the Saudi attack and will stick to their script of delivering a rate cut this week."

On Wednesday, in addition to announcing its decision on rates, the Fed's policymakers will update their forecasts for economic growth, unemployment, inflation and interest rates over the next three years. Powell will also hold a news conference.

The case for a rate cut is by no means overwhelming. The job market is essentially healthy, and wages are rising. Last week, the government reported that retail sales rose in August. An in-

dex of consumer sentiment produced by the University of Michigan has rebounded.

In addition, inflation, which has run chronically below the Fed's 2% target rate for years, may be picking up. The government said core consumer prices, excluding the volatile sectors of energy and food, rose 2.4% over the past 12 months - the fastest such pace in more than a year. If the Fed's policymakers conclude that inflation will sustain a faster pace, it might give them pause about cutting rates much further.

Still, the course of the trade war, along with other unknowns like the outcome of Brexit, will likely be the biggest factor in the Fed's decision-making.

"They have to react to policies that can change with the speed of a tweet," said Diane Swonk, chief economist at accounting firm Grant Thornton.

On Monday, Trump linked the oil attack and the Fed's rate decision, saying that after "the oil hit," the economy needs "Big Interest Rate Drop, Stimulus!"

But some analysts think the Fed might react to Trump's rising demands for steep rate cuts by making explicitly clear that it's keeping its focus on the economy.

Author David Jones said he expects the Fed's message to echo the one Powell sounded this month.



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