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## LOCAL

# Wells Fargo's Minnesota-based foundation pledges \$1 billion to affordable housing



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By [KELLY SMITH](#), STAR TRIBUNE  
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Wells Fargo is narrowing its focus in philanthropy this year and pledging to boost funding for affordable housing by \$1 billion through 2025.

The corporation announced this week that its Minnesota-based foundation will shift its focus nationwide to fund programs that work on affordable housing, financial health and growing small businesses instead of a broader set of goals.

“This is a big change for us to go really deep into really complex issues,” Wells Fargo Foundation President Jon Campbell said. “It’s a trend within philanthropy that you focus on fewer things ... go deeper on those fewer things and become an active participant in those things instead of just using your checkbook.”

Minnesota, like the rest of the nation, faces a major shortage of affordable housing. Shelters are full, communities report low apartment vacancy rates and rents are rising statewide.

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More than one in four households are cost-burdened, meaning they pay more than 30% of their income on housing. And earlier this year, a new report said the state's homeless population of more than 10,000 people had reached a [record high number](#).

In response, local cities, counties and nonprofits are trying to build more affordable housing to combat its growing scarcity in the Twin Cities' and buy apartment buildings to [preserve affordable units](#) before they can be sold and converted into luxury units with higher rents.

"The challenge is the need is so great," said Chris Coleman, the former St. Paul mayor who now is the CEO of Twin Cities Habitat for Humanity. Habitat has received funding from Wells Fargo for 25 years, including nearly \$1.3 million recently to support building 16 homes in five years. "It doesn't happen unless there are partners like Wells Fargo stepping up."

The announcement by Wells Fargo, which is headquartered in San Francisco and is the ninth-largest Minnesota employer, follows other corporations and organizations changing how they give.

This year, the Target Foundation announced it was [revamping its funding priorities](#) and Greater Twin Cities United Way [narrowed its focus](#), eliminating some grant-making categories.

For the first time in recent history, Wells Fargo said it will donate 2% of its earnings after taxes starting this year.

Wells Fargo said it will also tap more into its expertise as part of its philanthropic strategy.

"It's a major transformation," Campbell said.

As part of the \$1 billion for affordable housing, Wells Fargo is launching a \$20 million "housing affordability challenge" grant, which will prompt cities and nonprofits to compete for money for innovative, new solutions to the housing crisis.

Campbell said the company's foundation is also focusing more on programs that support affordable rentals and transitional housing — a shift from its past work solely on homeownership — and will expand access to financial education, financial coaching and home-buyer cou

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Campbell said that, at Wells Fargo, there will still be some flexibility for local giving.

In 2017, Wells Fargo gave about \$12.1 million to Minnesota nonprofits for workforce development, small business development, down payment assistance for home buyers, financial education, environmental causes and safety net programs for people in crisis. In 2018, Wells Fargo donated \$14 million to the state's nonprofits, schools and community organizations.

That year, the company [boosted its giving](#) nationwide by 40%, motivated by corporate tax cuts, more socially conscious consumers and a desire to heal the bank's tarnished image after a [series of scandals](#) that hurt Wells Fargo's bottom line, company officials said then.

"We're transforming everything in the company," said Campbell, who is retiring in December after working for Norwest and Wells Fargo for four decades.

He will be replaced by Citi Foundation President Brandee McHale, who is based in New York City. "We hope the good work of our foundation and our philanthropy will be recognized and rebuild trust in Wells Fargo."

The company's contribution isn't just for positive public relations, Coleman said, adding that, without the corporation's funding, Habitat for Humanity would have to rely more on individual fundraising.

"We need corporations and other partners to step up to support the work we do," he said. "This is a great next step."

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**Kelly Smith** covers nonprofits/philanthropy for the Star Tribune and is based in Minneapolis. Since 2010, she's covered Greater Minnesota on the state/region team, Hennepin County government, west metro suburban government and west metro K-12 education.

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