



At A Glance

About the Foundation

The Wachovia Regional Foundation was established in 1998 to support the revitalization of low-income communities located in New Jersey, Delaware, and eastern Pennsylvania. Since its inception, the Foundation has awarded over \$37 million in grants to more than 100 organizations.

More recently the Foundation reaffirmed its focus on comprehensive economic and community development, specifically targeting neighborhood-based nonprofit organizations and community leaders. Through this approach, the Foundation emphasizes neighborhood-based, or place-based, projects, fulfilling an unmet need in the region.

With these grants, the Foundation hopes to help families overcome barriers to self-sufficiency while working to revitalize the communities in which they live. The Foundation seeks to fund projects that have the power to transform poor urban, suburban or rural communities, which might be threatened or unstable, into prosperous, growing neighborhoods.

Grant Programs

The Foundation offers two types of grants – Neighborhood Planning Grants and Neighborhood Development Grants. The Neighborhood Planning Grants, ranging from \$25,000 to \$100,000 for one year, are designed to help low-income communities create neighborhood-based, comprehensive development plans.

The Neighborhood Development Grants, ranging from \$100,000 to \$750,000 and disbursed over three to five years, help nonprofit organizations implement programs outlined in their neighborhood development plan. A Neighborhood Development Grant recipient must have a strategic and comprehensive neighborhood plan to be eligible to apply for the Neighborhood Development Grant.

The Neighborhood Planning Grants are awarded once a year to a limited number of selected neighborhood planning projects across the region, and the Neighborhood Development Grants are awarded twice a year through a two-stage process. Projects for both types of grants must address *all* of the following issues:

- ◆ Children and Families
- ◆ Affordable Housing and Counseling
- ◆ Neighborhood Building
- ◆ Economic Development
- ◆ Employment and Training
- ◆ Business Development
- ◆ Transportation

The Foundation seeks to partner with organizations that have strong leadership, capable of developing effective projects that will have a lasting impact in their neighborhoods. In addition, the programs should link neighborhoods with strategic partners, such as other nonprofits, schools, local institutions, and government agencies, and include a method to evaluate and measure the outcomes of the efforts. This approach helps the success and sustainability of the project.

Our Geographic Reach

The counties we serve include:

- ◆ **New Jersey:** Atlantic, Bergen, Burlington, Camden, Cape May, Cumberland, Essex, Hudson, Hunterdon, Gloucester, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Sussex, Union, and Warren
- ◆ **Delaware:** Kent, New Castle, and Sussex
- ◆ **Pennsylvania:** Adams, Berks, Bradford, Bucks, Carbon, Centre, Chester, Clinton, Columbia, Cumberland, Dauphin, Delaware, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Lycoming, Luzerne, Mifflin, Monroe, Montgomery, Montour, Northampton, Northumberland, Perry, Philadelphia, Pike, Potter, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York

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Wachovia Regional Foundation
Planning Grant Program Evaluation (abbreviated)
January 2003 – June 2005

Neighborhood Planning Program Overview and Evolution

In 2003, the Wachovia Regional Foundation launched its Neighborhood Grants Program which provides funding for comprehensive neighborhood community and economic development plans in low-income communities, as well as the implementation of programs that are identified within such plans.

As one of the few funders of neighborhood plans, the Wachovia Regional Foundation is emerging as a regional leader in the field and is shaping the nature of the neighborhood planning process. The Foundation's focus on resident engagement as well as its broad-based view of the plan's elements is broadening the field's viewpoint beyond the traditional planning elements of housing and economic development, to include the building up of neighborhood stakeholders and leadership, as well as identifying the unmet service needs of the neighborhood's children and families. Signifying the Foundation's emerging leadership within the field, the Foundation has been approached by leaders in the planning field from both the private and public arenas for lessons learned, speaking engagements and partnership opportunities.

As a result of the lessons learned during the first eighteen months of its planning grants program, the Regional Foundation has expanded its Neighborhood Planning Grants Program to include the provision of technical assistance to those organizations interested in undertaking a comprehensive planning process through a six-hour neighborhood planning workshop. During the first year of workshops, 416 people from 294 organizations from New Jersey, Pennsylvania and Delaware have attended to learn about participatory neighborhood planning from planning consultants and community based organizations that have successfully developed a plan. In addition, in 2005, the Foundation enlisted the consulting services of The Reinvestment Fund, to ensure that the plans funded by the Foundation incorporate the dynamics and market trends occurring beyond the borders of its targeted neighborhood, with the hopes that such knowledge will enhance the impact of the plan's strategies upon implementation. Furthermore, the Foundation has lengthened the duration guidelines of grants within the planning program to eighteen months.

Evaluation Scope & Structure

This evaluation reviews the nine planning grants closed since the program's inception in 2003 with a total award of \$756,000. Collectively, these plans involved over 2,100 residents through a series of community meetings, focus groups or surveys. Each organization provided a final report which reviewed the impact the planning process had on the organization and neighborhood stakeholders, an assessment of the Wachovia Regional Foundation planning grant structure and program, and lessons learned that would be valuable to share with the planning field.

Impact on Participating Organizations

Each of the nine participating organizations reported that the planning process impacted the organization in a significant way. Not surprisingly, organizations that indicated more significant change at the organizational level were also those organization's that self-identified as less experienced with participatory planning prior to the project.

Clearly a leading impact of each of the planning processes has been heightened discussions and awareness of stakeholders within a given target neighborhood. Seven of the organizations noted an enhanced relationship with other stakeholders and with the residents. In addition, three organizations stated that their organizations would be modifying their mission as a result of the information that they learned about their neighborhood and stakeholders as a result of the process. One organization has decided to expand the representation of residents on its Board. Eight of the nine groups note that the Steering Committee will continue to meet regularly to implement the plan.

Another common impact of a plan is an anticipated change to an organization's staffing mix, with five participants noting that they have created new positions as they move towards plan implementation. In addition, three organizations indicated that they would be assisting in the development of new community development corporations for their target neighborhood, which would focus on the implementation of some component of the plan.

Other areas in which the participants noted change as a result of the participatory planning project include:

- an expanded understanding and overview of planning tools;
- an expanded understanding of issues impacting the neighborhood; and
- identification of new community leadership.

Consultants

Although each of the organizations had varying levels of planning experience, all selected at least one consultant to lead at least one aspect of the plan and process.

Three organizations utilized a planning team, consisting of a lead consultant responsible for outreach, and two additional firms engaged for economic development and housing. This model tended to result in a higher cost structure, and allowed each consultant to focus on their specialty (housing, economic development, human capital development).

Three organizations tapped the resources of major local universities, with one of these using the project as a living lab. Constraints under this model were fitting the project into a one or two semester schedule, as well as a more standardized final product. However, cost was less, allowing the organization to use a greater percentage of funds for community organizing. Additionally the organizations had access to technology it otherwise could not afford.

The remaining three organizations had the assistance of one consultant who was responsible for assisting in the outreach, research and compilation of the plan. Grant funds in this model tended to be used for both staff outreach positions as well as the consultant. These plans tended

to be less specialized than those plans which had utilized a multi-party consultant team. (ex.: fewer graphics, less specialized economic development plan), however, remained substantive in content.

Implementation

At the time of writing their final report, each organization indicated that while they had shared their plans with the appropriate governing authorities, none of their plans had yet to be formally approved. However, many of the organizations stated that some of the individual elements within the plan had been adopted or incorporated into the municipality's master plan.

Grant Program's Structure

Grant Application:

Participants believed that the grant application was well-structured, and provided a workable framework for a comprehensive resident-driven planning process.

Time Frame:

All of the participants agreed that the planning process took longer than originally anticipated, but valued the aggressive time frame to keep the process moving. While the average grant was approved for a 12 month cycle, the average grant duration was 15 months.

Areas which seemed to take longer than originally anticipated include: engaging the consultant; building trust among stakeholders; coordination of large group meetings; and review and finalization of the document.

Grant Amount:

In most cases, the Wachovia Regional Foundation's grant award funded a majority of the plan's cost, primarily paying for the consultant, the community organizer or for community meeting costs. Eight grantees stated that the Wachovia grant leveraged additional funding, with a combined total of more than \$450,000 in additional funds raised.

Grant Milestones:

The grant milestones were helpful in keeping the process moving, and were met with flexibility to circumstance. Most milestones received some form of tailoring upon selection of the consultant. Incorporating targeted levels of resident participation did keep the process more focused on resident involvement, but did not motivate the residents to participate.

Planning Grant Launch:

The planning grant launch was viewed as a helpful way to gain initial visibility in the community, although participants would recommend keeping it a low-cost event.

Communication with Staff:

While the organizations valued all communication touch points with foundation staff, face-to-face contact or conference calls proved to be the most appreciated method. Grantees noted that these meetings provided appropriate and timely guidance, and greater insight into Foundation expectations. Interim reports were also viewed as valuable, providing a disciplined reflection of the project's progress.

Need for Technical Assistance:

The participants identified the following tools that would aid in the planning process:

- a common survey instrument to be used as a template;
- assistance with the understanding, selection and application of neighborhood indicators; and
- a short list of qualified consultants.

In Their Own Words: Lessons from the Field

Steering Committee:

1. Create basic, simple standard of operations and basic procedures for the advisory group so that everyone understands expectations and responsibilities, and how meetings will be conducted.
2. Have a clear strategy on the role and position of the lead agency, and methodologies to support this role (ex: have invitation letters signed by several key individuals from multiple stakeholders; have different leaders open meetings; identify an external facilitator).
3. Be prepared to have a strategy to deal with individuals that are very strategic and willing to go to great lengths to leverage their agenda while destroying another. Do not underestimate the opposition and don't get side tracked by becoming focused on their agenda.

Stakeholders:

1. City government has a major role in developing such plans, yet only a few agencies are involved.
2. Involvement from a broader agency base would enhance the plan's overall ability to address other quality of life issues.
3. Create a steering committee and build trust among them before you hire the consultant.
4. Think beyond boundaries; include stakeholders that may not fall within the target area, but are directly involved in the neighborhood. For example, the target neighborhood's western boundary was a river. However, local businesses on the other side of the river were not initially included in the process, although they share this significant asset.
5. Team building among the leaders of collaborative organizations, community organizers, consultants and steering committee members is critical to expand understanding, foster an appreciation of each other's strengths, and enhance working relationships.
6. Begin to establish joint ventures/collaboratives prior to completion of the plan.

Meetings:

1. It is hard to predict turnout at meetings.
2. While it is a good thing to meet at different places to expand the reach to the residents, the availability of appropriate meeting space may be limited, and some residents prefer the predictability of meeting places and dates.
3. A group meeting model to identify assets can prove challenging to manage, and frustrating to participants. It is often easier to identify needs and blame for why they are not being met.
4. Strong facilitation is needed for public meetings.

Process:

1. Appoint staff person to manage planning process and consultant.
2. Hire a full-time staff person to work on the project from the outset.
3. If possible, have the same person in the organization oversee the planning process from beginning to end.
4. The community organizer is invaluable to the success of a resident-driven plan.
5. The multi-disciplined process involves the whole organization, not just the project manager.
6. It can be unwieldy to have a large number of people working on a particular task.
7. Everything takes longer than anticipated.
8. Don't underestimate your project's ambition.
9. Increase marketing effort for greater exposure to the planning process.
10. Spend time developing framework for process and what success should look like.
11. Establish short-term strategies for visibility and success.
12. Concentrate outreach on less familiar areas of the neighborhood; coordinate quality of life campaign with the planning process; and residents need to advocate for the plan.
13. Resident participation keeps the process honest. We now know our customers and constituency better.
14. A good plan is achievable, a perfect plan will have you editing and rethinking long after the deadline.
15. Include children early in the planning process by meeting with students in the schools, as well as conduct a youth survey early on.
16. Publicize as much as possible.
17. There is a chance you may be awarded a planning grant. BE READY TO BEGIN. There is little time to ramp up.
18. Show short-term successes.
19. Respectfully incorporate basic financial exercises into discussions with residents to provide perspective as to the financial costs of revitalization.
20. Planning areas may be comprised of many smaller neighborhoods. Respect local conceptions of neighborhood boundaries while infusing the sense of a need for joint efforts to develop the plan.
21. Incorporate a comprehensive asset inventory of resident interests and skills.

Planning Tools:

1. Lead organizers should undergo community building training early in the process.
2. Design your survey to meet your neighborhood's situation.
3. While it is a good idea to have a website for a planning project, the community is not yet ready to make full use of it.
4. Plan must be holistic and have specific monitoring components.
5. Communication is very important and costly. Many participants will not be accusatory of not being notified of meetings in a timely manner. It is difficult to disseminate minutes to 700 residents and numerous committees (not everyone has e-mail).
6. Create a quarterly newsletter to update residents about the planning process.

Residents:

1. Direct resident participation in the planning process leads to credibility of the plan, and heightens their role in the plan's implementation (particularly the quality of life and human services component).
2. Representation of resident associations on the governing bodies of sponsoring organizations reinforces the notion and the practice of community accountability.
3. It is challenging to instill confidence in residents that this Plan will help to resolve issues and needs that they have had for years.
4. Engage youth: listen to their concerns and enlist them to carry out plan implementation.
5. Timing of a coinciding project can cause confusion and distrust.
6. Greatest motivator to resident participation is an opportunity to get their voice heard and to receive affirmation that their opinion was of value and of importance.
7. Resident participation is greater between the spring and the fall due to weather conditions.
8. Overwhelmingly, public meetings and outreach sessions lacked the participation of immigrant populations such as Africans, Asians, Latinos, and West Indians.
9. Residents can be brutally honest about how your organization is perceived. Sometimes more brutal than honest.
10. Residents continually talk about how they have been deceived in the past - planning abounded but nothing has happened. Resident buy-in began through seeing small implementation projects happening. Incorporate these projects with planning process.
11. Let residents feel heard and incorporate their concerns, which may require individual outreach with residents between meetings.
12. Engage residents early in the process.

Cost:

1. Budget more dollars for a consultant.
2. Everything is more expensive than expected, especially the cost of the consultant.
3. More meetings translates to more food, and thus more expense.

Consultant:

1. It is important to bring in consultants with a wealth of experience.
2. Allocate resources and hire experienced consultants to assist in the human capital and social capital investment strategies.
3. In hindsight, the sponsoring organizations would retain the exclusive privilege of selecting the consultant team to ensure selection was based on merit and not on individual preferences.
4. Be specific in your RFP for a consultant. Negotiate a contract with clear expectations - know your role and the consultant's role.



Banking Best Practices Used in Foundation Giving

Founded in 1998 with a \$100 million endowment, the Wachovia Regional Foundation began with a charter to support community and economic development in New Jersey, Delaware, and eastern Pennsylvania. In 1999, Denise McGregor Armbrister, a seasoned banker, became the executive director. Armed with a passion for communities and extensive underwriting experience, Denise successfully used what she knew best – banking – to make the Foundation one of the most innovative, cutting edge neighborhood development funders in the country.

Denise used best practices from the banking industry to shape three main areas of the Foundation's grantmaking: 1.) Building relationships, 2.) Structuring and monitoring grants based on identified risks, and 3.) Creating a learning institution:

1. **Building Relationships:** The Foundation's approach to its grantmaking mirrors the banking industry's relationship-based approach to business. Relationships are an essential part of knowledge-gathering for bankers, allowing them to better assess a business's management strength and capacity. The Foundation staff uses this same approach in its grantmaking by instituting mechanisms, such as site visits and an annual grantee conference, to stay connected with its grantees before, during, and after the grant award process. Based on the relationship knowledge, the Foundation staff can then link grantees to other Wachovia resources (such as HR, finance, marketing) to enhance the capacity of the organizations.
2. **Structuring and monitoring grants based on identified risks:** The Foundation uses the banking risk model to measure and identify the organizational and project risks of applicants and grantees. The due diligence to select grant recipients incorporates the same detailed review methodology used by bank underwriters, paying special attention to financial capacity, organizational capacity, and management strength. Once the Foundation awards grants, the grants are disbursed like many loans – in payment amounts over time based on expected performance. Each new grantee works with the Foundation staff to create a grant agreement – much like a loan agreement - which documents grant terms, covenants, and contingencies. The grant agreements outline expected outcomes, outputs, and milestones, and links payments based on the organization's performance.
3. **Creating a Learning Institution:** The Foundation values continual learning in order to improve its impact in poor communities. In order to create a purposeful learning institution, the Foundation uses the banking practice of studying and assessing the performance of loan products and transactions to inform future loan policies. Using this concept, the Foundation created an evaluation officer position. Through quarterly reports, final reports, and site visits, the evaluation officer gleans and quantifies lessons learned from the grant portfolio to inform and improve the Foundation's grantmaking practices and policies.

Just as banks constantly seek ways to increase their financial return on investments, the Wachovia Regional Foundation seeks ways to maximize the "social return" on its grants to improve the quality of life of children and families in poor neighborhoods.