

# The Changing Face of Shaw

*Stories from the Frontline*



## About Manna CDC

Manna CDC is a 501 (c) (3) non-profit community development organization which collaborates with Shaw residents, business owners and other community stakeholders to maximize the community's assets. The program of activities includes community organizing and leadership development, housing development partnerships to create and preserve affordable housing, and community economic development.

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## Acknowledgments

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Front cover, main photo: buildings in the heart of Shaw decimated in the 1968 riots. (Photo courtesy of the D.C. Public Library Washingtoniana Division.) Small photos (Left to right): commercial redevelopment emerging at 13th and U Streets; two members of Shaw Education for Action, community leaders organizing for development to serve current residents; Hudson Apartments recently built in 1400 block of P Street.



# Introduction

Washington, D.C. has experienced a tremendous upward spiral in rents and housing prices over the past several years. Nowhere in the city has this been more evident than in the Shaw neighborhood, an historically African-American community situated north of downtown and east of Dupont Circle. Marked by a plentiful supply of beautiful Victorian rowhouses, within walking distance of downtown, bisected by the Green line Metro with 3 stations at key intersections — Shaw combines a pivotal location with a graceful historic profile. In short, it was destined to become a prime real estate market, and starting in the late 1990s it fulfilled that promise. Today it is one of the city's hottest places to live.

The shorthand description of what has begun to happen in Shaw, “gentrification,” refers to both a physical upgrading of the housing and commercial buildings as well as to a change in the resident population’s demographics. While signs of physical improvements are evident on nearly every block, indications of changes in the make up of who lives in Shaw are appearing more slowly and less ob-

viously. Analysis of census data illustrates that median household income in Shaw had increased only moderately from 1990-2000. Changes in the Shaw population lagged behind changes in the housing market and other redevelopment largely due to the presence of a segment of people insulated from the market. This segment includes individuals who bought their homes during a low price era; renters in rent controlled apartment buildings; and tenants who pay affordable rents proportionate to their incomes by using Section 8 subsidies.

One positive implication of this lagging effect is that Shaw still has time to hold onto its history of having a diverse population: economically, ethnically, and of household type. However, maintaining this diversity will require taking action to preserve the remaining affordable housing, providing landlords with incentives to hold on to Section 8 subsidies, protecting low-income homeowners from economic pressures to sell, and developing new affordable housing when possible.



House on 3<sup>rd</sup> Street, NW, where renter family was recently displaced by its sale

**Alexander M. Padro**, an ANC Commissioner active in numerous civic organizations, has been a leading spokesman on the history and future of Shaw.

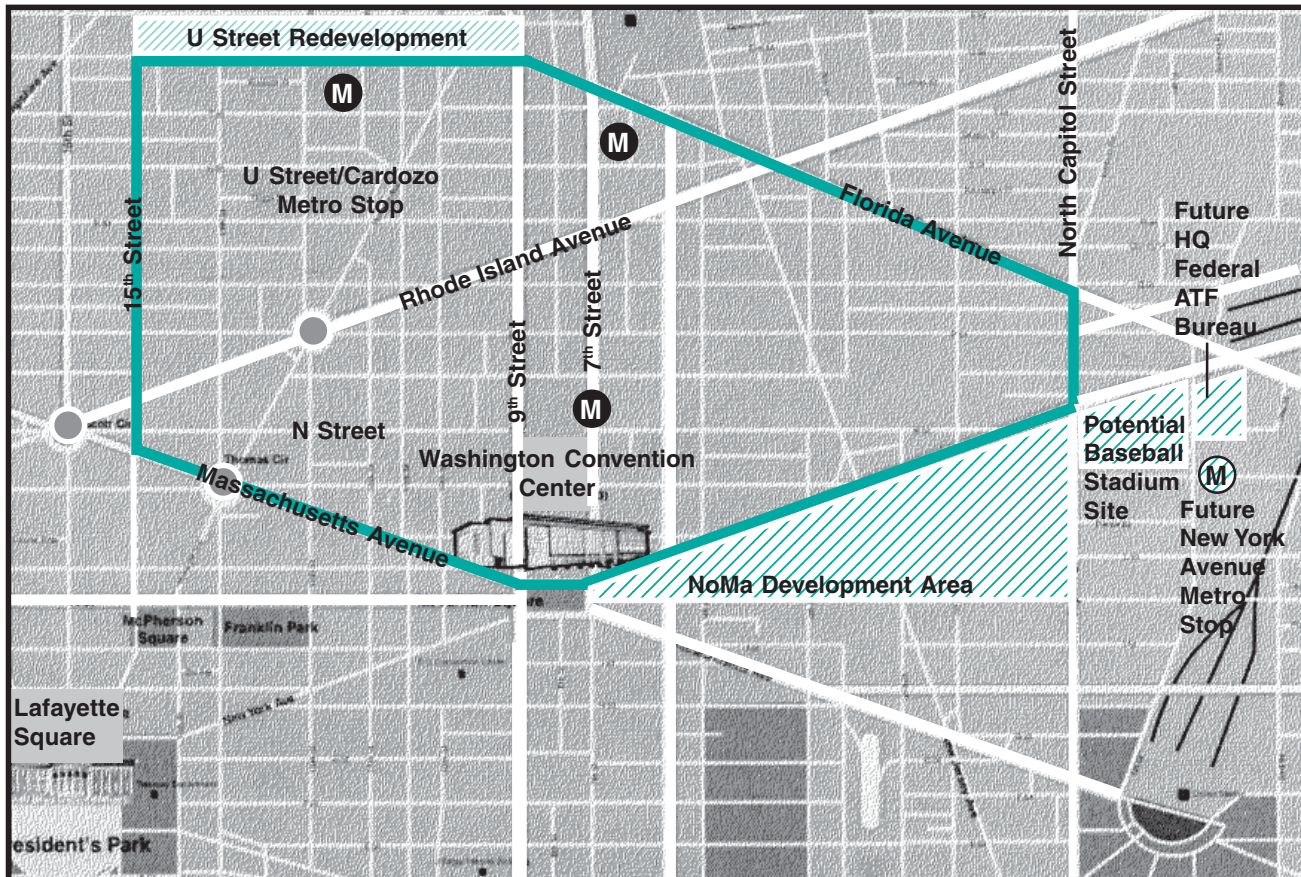


“Through the first half of the 20<sup>th</sup> century, Shaw was a vital residential, commercial, and entertainment district. After World War II, Shaw started to lose population due to movement to the suburbs and residential desegregation. After the riots of 1968 destroyed entire portions of 7<sup>th</sup> and 9<sup>th</sup> Street commercial corridors, many people left and boarded up their houses. Some churches bought property and some used it to build affordable housing. But the mix of uses in the community was lost.

Soon after the green line was built you had the U Street revival and people began buying houses and renovating them. From 1994-2000 more affluent people moved into the area and as a result there was a ripple effect. Renters started being pushed out, a major source of displacement. Then there is the \$800 million convention center; that type of development in an area will change things. This is not the urban renewal of Southwest where buildings were torn down all over the place but if we are not vigilant it might be. So far in Shaw gentrification is not black or white. It is gray. Yes, people are getting displaced. Can we stop it? Probably not. Can we stop a few? Yes. I hope Shaw will maintain its diversity: economic, ethnic, gender and age.”



## SHAW NEIGHBORHOOD and Major Development Influences



Map design © The Map Network, Inc. and Freerayn Graphics.

## SHAW DEMOGRAPHICS

**Population:** Overall, the Shaw neighborhood grew during the 1990s; the number of households increased a full 10% as new people moved into the neighborhood.

	Shaw Area	Washington, D.C.
Population change (1990-2000)	+3.0%	-5.7%
Change in number of households (1990-2000)	+10.0%	-0.5%
Average household size (2000)	2.25	2.16

**Racial Mix:** Shaw's racial/ethnic makeup changed considerably during the 1990s with a large loss of Blacks and gains in the Latino and White population. Still, the area remains majority African American, with Latinos as the next largest ethnic group.

	Shaw Area	Washington, D.C.
Change in black population (1990-2000)	-17.1%	-13.9%
Change in Hispanic population (1990-2000)	+87.6%	+37.4%
Change in White, non-Hispanic population (1990-2000)	+24.4%	-4.2%
Black/African American population share (2000)	61.8%	59.4%
Hispanic population share (2000)	17.4%	7.9%
White, non-Hispanic population share (2000)	14.4%	27.8%
Asian population share (2000)	4.9%	2.6%
Two or more races population share (2000)	1.7%	1.7%

## WHY IS SHAW SUCH A HOT AREA?

Shaw is situated conveniently between three nodes of very significant redevelopment, and has characteristics that are desirable to new residents, investors, and developers. The new Washington Convention Center to the south, the U Street commercial and residential revitalization to the north, and the North Capitol Street/Florida Avenue upgrades occurring to the east, all impact the Shaw neighborhood. The North Capitol upgrades are driven by the construction of a new Metro station, the relocation of the U.S. Alcohol Tobacco and Firearms agency, and the planned renovation of several large, empty commercial buildings. Further, Shaw is home to three Metro stations along the Green line, and a large stock of Victorian row houses begging to be renovated to their original splendor.



Kennedy Playground at 7<sup>th</sup> and P Streets now becoming a state-of-the-art recreation center has created another incentive for people to move into the neighborhood. Manna, as an affordable housing developer, led the way years ago by renovating and reselling nearly

150 scattered homes and condos in Shaw between 1980 and 2000, redeveloping the crack-infested buildings at 11<sup>th</sup> and O Streets into a successful condominium, undertaking a historic renovation of the dilapidated Whitelaw Hotel at 13<sup>th</sup> and T Streets, and creating a community center at 614 S Street.

In addition to these positive trends in the neighborhood, the general reduction of crime in the District, the increased confidence inspired by the election of a new mayor in 1997, and the traffic gridlock in the suburbs have all boosted the attractiveness of transit-oriented locations such as Shaw.

Community-led redevelopment such as the

**Income:** Household income within Shaw by 1999 had still not risen to the level of the citywide median, though median incomes for White households were more than double those of Black households. The gentrification trend has intensified since 1999 however, so median incomes are expected to show further increase.

	Shaw Area	Washington, D.C.
Median household income overall (1999)	\$29,800	\$40,127
Median household income, blacks (1999)	\$23,450	\$30,478
Median household income, whites (1999)	\$54,520	\$65,441

The low household incomes in Shaw also translate into a much lower rate of homeownership than in the city overall, and also a higher rate of households living under the poverty line.

	Shaw Area	Washington, D.C.
Home ownership rate	21.0%	40.8%
Poverty rate (1999)	25.6%	20.2%

**Elderly:** Although Shaw has a slightly lower proportion of households headed by the elderly, compared with D.C. overall, they are more vulnerable. The large majority live alone without family to help support a household and more than 80% of them rent their housing.

	Shaw Area	Washington, D.C.
Elderly-headed households (65+) share of total (2000)	15.2%	19.5%
Percent of elderly-headed households who rent	83.2%	41.6%
Percent of elderly-headed households living alone	70.3%	52.2%

*All data based on census tracts 46, 48.1, 48.2, 49.1, 49.2, 50. Boundaries are: S Street and Florida Avenue to the north, 14<sup>th</sup> Street to the west, Massachusetts and New York Avenues to the south, and N. Capitol Street to the east.*

*Source: 2000 census*



## Home Ownership Market

Homes and condominiums in Shaw became a hot commodity in early 2000. Prices have appreciated to levels unimaginable just three years ago, with an overall single family home price increase of 50 percent from 1999 to 2002. Prices have risen to new peaks in the western half of the neighborhood, between 7<sup>th</sup> and 15<sup>th</sup> Streets, where homes typically are larger and the Logan



Upscale lofts being marketed at 14<sup>th</sup> and P Streets

Circle/Dupont Circle cache is strongest.

The rate of increase has been even greater in the eastern half of the area (east of 7<sup>th</sup> Street) in what historically has been a very low-income area with a large presence of federally subsidized housing. Median single family home prices are up 129 percent in three years, and the number of annual sales accelerated rapidly, more than doubling since 1999. Elegant, renovated row houses near 5<sup>th</sup> and 6<sup>th</sup> Streets sell for above \$400,000, while small houses near 1<sup>st</sup> Street are priced over \$200,000. Few houses now can be termed “affordable.” The new Convention Center has impacted perceptions of desirability and public safety in this sub-market, formerly considered too crime ridden to experience much gentrification. The market also is experiencing speculative activity based on the upcoming New York Avenue Metro and other redevelopment near North Capitol Street.

Manna’s ability to redevelop affordable homes in Shaw since 2000 has been limited by the extremely high acquisition costs. Manna has renovated and resold almost 60 former public housing units at affordable prices (\$89,000 - \$135,000) to low income families, made possible by zero-cost acquisition prices, but these will be the some of the last affordable homes available in the neighborhood.

Condominiums, once thought of as an affordable alternative to owning a home, generally offer no such possibility in Shaw now. Condos have become a high

**Rev. Robert Holum** is pastor of Luther Place Church at 14<sup>th</sup> and N Streets, which has long been active in working with homeless people and sponsored development of N Street Village, providing permanent and transitional housing for the homeless.



“When my wife and I moved here several years ago we rented an apartment at the Mondrian Apartments for \$900

that now rents for \$1,500. Our church is taking in a lot of new young adult members who would like to live in this neighborhood but can’t afford to. Plus, it has a really negative impact on the health of neighborhood institutions when people who work in service jobs near here cannot afford to live here.

People from N Street Village trying to rebuild their lives and move onto other housing can’t find anyplace in the neighborhood to live. A lady from the Logan Circle Citizens Association recently said that she couldn’t afford to move into this neighborhood now. The past president of the neighborhood association was listing off property after property whose affordability has been lost in the 1000 block of N Street. Over across 14<sup>th</sup> Street, that yellow apartment building has housed working class Latino people, and I am told that all but six apartments have been vacated in preparation for a big renovation.

Rents and home prices have increased so much that I think there is now a broad spectrum of people who are frightened for their future, if they don’t already own a home.”

volume and high-priced industry in the area; in 2002 there were more condo sales than single family sales in Shaw. Newly converted or constructed buildings entered the market in places like 13<sup>th</sup> and N Streets, Kingman Place, and Johnson Avenue. Early condos in the vanguard such as Logan Court at 11<sup>th</sup> and O Streets (developed by Manna in 1994-45) and the Leumass at 1201 Q Street (sold in 1998-99) originally sold one and two-bedroom units for \$75,000 to \$170,000; now prices are \$150-200,000 higher compared to the late ’90s.

**Table 1: Homeownership Prices in Shaw**

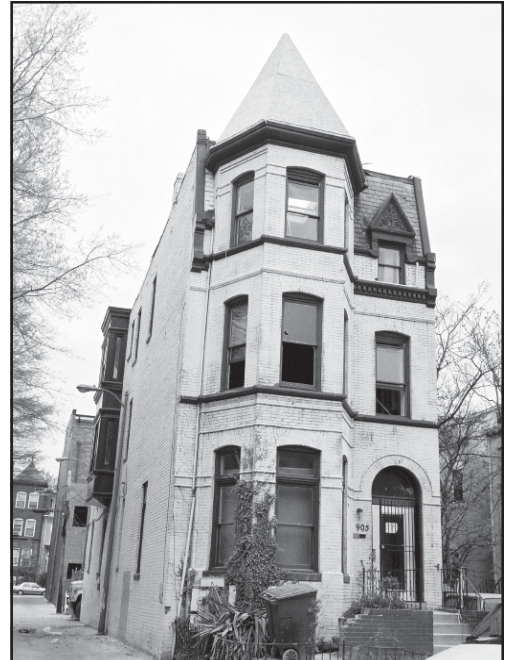
	1999 price	# of sales	2002 price	# of sales	% price change
<b><u>Single Family Homes</u></b>					
Median home sale price in Shaw	\$213,000	102	\$320,000	103	50%
Income needed to afford median sale price	\$51,990		\$78,113		
Actual median household income in D.C.	\$40,127		\$43,848		
Median price West (7 <sup>th</sup> to 15 <sup>th</sup> Streets)	\$245,000	79	\$460,000	46	88%
Median Price East (N. Capitol to 7 <sup>th</sup> Streets)	\$105,000	23	\$240,000	57	179%
<b><u>Condominiums</u></b>					
Median condo sales price in Shaw	\$139,500	55	\$260,500	139	86%

*Based on the real estate Multiple Listing Service (MLS) sales data, excluding units judged to be uninhabitable; 2002 reflects January-October sales; median income for 2002 derived from census data with 3% annual inflation adjustment.*

Table 1 reflects an overall home price increase of 50 percent in Shaw that is less than either the east or the west areas; this is a statistical result of the shift in weight to more sales in the east, where the average price is markedly lower. The change in geographic mix brings down the overall average, but the 88 percent and 129 percent rates of change in east and west are more representative of what has happened for any particular house.



**Left: 6<sup>th</sup> Street block undergoing transition from rental to ownership, creating displacement. Right: Former boarding house on Westminster Street being re-developed for sale where a nearby home is on the market for \$599,000.**



## Rental Market

Shaw residents are predominantly renters, just as is true citywide. In parallel to the housing boom in the ownership market, rents have similarly increased substantially. A 2002 rent survey by the Council of Governments showed a citywide average rent of \$777 per month but a much higher average in Ward 2, which includes Shaw, of \$1,003. The Shaw neighborhood is one of the poorest sections of Ward 2, yet landlords for major rental buildings have begun to charge rents as high as the overall Ward 2 average.

Rents of \$1,000 or more have become common in Shaw over the past year in renovated or newer buildings. Shaw renters with a median household income of \$24,800<sup>1</sup> can only comfortably afford \$620. At the current rental rates, only 30 percent of Shaw renters can afford these \$1,000 rents.

Even more inaccessible to typical families is the emergence of luxury rental buildings like “1225” on 13<sup>th</sup> Street or “The Hudson” near Fresh Fields on P Street, where rents are reaching unprecedented levels above \$2,000 per month.



**Ellington Apartments, under construction at 13<sup>th</sup> and U Streets, NW**

The effects of the new Convention Center on the rental market in the eastern part of Shaw appear most striking. Several buildings in the 7<sup>th</sup> Street to 11<sup>th</sup> Street corridor have increased rents to levels at or near \$1,000 for a one-bedroom in an area which formerly was considered sub-prime and crime ridden.



**Washington Apartments near the new Washington Convention Center**

A stunning example of the “Convention Center effect” occurred last summer at the Washington Apartments at 7<sup>th</sup> and N Streets, where rents have increased 90 percent in the past two years! In 2003, two-bedroom rents have risen to \$1,225 for new tenants. For many residents in the building the effects are cushioned by use of Section 8 (some project-based, some vouchers), yet as units turn over the new high-rent regime will become the norm. The D.C. government has ruled that rent control does not apply to this development.

Families in Shaw who receive Section 8 vouchers in hopes of moving to a larger or nicer apartment find it virtually impossible to stay in Shaw due to the high rents. Citywide, the D.C. Housing Authority reported for 2001 that 42 percent of voucher holders cannot find a unit affordable enough to make use of the voucher. With rents in the Shaw neighborhood even higher than the city average, this scarcity of choice is even more likely in Shaw.

According to the 2000 census, the median rent paid in Shaw’s five census tracts was \$516 for all units. As a result of the ongoing rent control in some buildings, substandard conditions keeping rents low, and renters having Section 8 subsidies, some affordable units still exist. But this rental stock is dwindling through condo conversion, renovation into upscale rentals, and conversion of single family houses to owner-occupancy. As time passes, high rents will become more pervasive and unaffordable to working, lower-income families.

<sup>1</sup> Based on 2000 census data with annual inflation adjustment



**Table 2: Examples of Current Market Rate Rents in Shaw**

	Efficiency	1 bedroom	2 bedroom
<b><u>12th Street and West</u></b>			
Mondrian Apartments: 1200 N Street	\$985	\$1,150-1,250	\$1,295-1,575
Cambridge Apartments: 1221 Mass. Avenue	\$875	\$1,095-1,400	-
The Eddystone: 1301 Vermont Avenue	\$850	\$1,025	-
“1225”: 1225 13 <sup>th</sup> Street	\$1,060-1,240	\$1,445-2,200	\$2,170
<b><u>East of 12th Street</u></b>			
Washington Apartments: 1201 6 <sup>th</sup> Street	-	\$949	\$1,225
Mount Vernon Plaza: 930 M Street	-	\$960-1,090	\$1,270-1,365
M Street Towers: 1112 M Street	\$830-995	\$1,085-1,300	-
Burke Park Apartments: 1111 Mass. Avenue	\$810	\$920	-
<b><i>Rent affordable to median renter household in Shaw (with their income of \$24,800):</i></b>			<b><i>\$620</i></b>



***Tessie Todd-El** has been a tenant of Lincoln Westmoreland Apartments at 1730 7<sup>th</sup> Street, NW for 29 years. Currently she is the president of the tenant association. She is employed at the community center in the building and works with children.*

“When I first moved in during the ‘70s, I was doing market rent — that’s when it was \$191. But then in the early eighties, my rent was more than my income. Rent had gone from \$191 to \$271. It was either paying rent or buying groceries. Later, I wanted to move into a house, and they said we could use a Section 8 voucher for the house. We got the voucher in 1998 or 1999.

I only had 90 days to look for a house. You’re looking at the up-keep of a building, you want it to be kept up well. I know there were not a lot of houses in the price range. What they were asking for was too much for the voucher, and I’m not making no \$30,000! The houses in the price range for the voucher were shells. We stayed at Lincoln Westmoreland because we didn’t want to “jump out of the frying pan into the fire.”

But I still want a house, not just a house, a home. It’s been a challenge — I look at the money now and real estate has gone up, gone up tremendously.”

## Section 8 Subsidized Apartments

The Shaw neighborhood has 12 buildings with significant “project-based” Section 8 subsidies, originally a long term subsidy available to any low-income renter who moved in. These developments include 1,011 subsidized units, comprising anywhere from 20 to 100 percent of each development. These Section 8 units represented 16 percent of the total rental stock in the neighborhood in 2000.



**Immaculate Conception apartments on 7<sup>th</sup> Street, NW**

The future of such subsidized developments is in doubt. Landlords now have the opportunity (after their initial long-term contracts have expired) to “opt-out” of Section 8, raise rents to new higher market levels, and substitute shorter term Section 8 vouchers. The negative implications for the future are huge – current tenants are protected by receiving

vouchers, but whenever a tenant moves out of the unit it can be rented at a higher market rate. Over time a building migrates into a fully market rate status, if the owner so desires.

An internal study of “opt-out” potential conducted for the D.C. Deputy Mayor for Economic Development ranked five Shaw buildings as having a high or moderate risk for opt-outs, based on the new higher rents and low vacancies in the surrounding neighborhood. While none of these landlords have yet made this choice, it is a very real threat to long-term availability of affordable rental housing in Shaw.

## Displacement

As the housing market continues to heat up, there is undeniably displacement of existing low-income households. While no large waves of visible displacement have been documented, there is evidence that small and sometimes gradual movements lead to displacement. Evidence to suggest such a phenomenon are: rent increases, condo conversions, and sales of rented houses and boarding houses.

***Marketa Bartel** has lived at 1205 7<sup>th</sup> Street, NW, in the Washington Apartments for the past 9 years. She is president of the tenant association there, which was activated in 2002 when tenants received notice of huge rent increases due to a “Mark Up to Market” process. She has recently worked as a Community Education Coordinator for a local non-profit.*

“On March 26, 2002 I received a letter stating that my rent for a two-bedroom will go up to \$954 from \$634 on August 1. Before that, market rate for a one-bedroom was in the \$500 range, a two-bedroom was \$634 and a three-bedroom was in the \$700 range.

Everyone knew that the rent would increase because the Convention Center was being built across the street. I also knew that Management would keep raising the rent until we could no longer afford it and force us to move out. However, we had no idea that management would dramatically raise the rent like they did. I expected that the rent may increase by \$20 to \$50 dollars per year, but no one was prepared for a \$300 to \$500 increase in our rent all at once.

Of the 158 households who were facing displacement (because they’re not in project-based Section 8 units), 115 stayed because they were approved for enhanced vouchers. Although six or seven households were ineligible for vouchers, we got a pro bono attorney who negotiated a 1-year rent phase in for them. But 37 families moved out. New people moving into those units pay the full market rent.”

### **Rent Increases:**

The 60-unit building at 1206 10<sup>th</sup> Street (one block from the Convention Center) underwent a transformation from affordable to luxury housing, after a moderate rehabilitation in 1999. The largely Latino population of renters paying \$600-700 per month found itself priced out when rents increased to about \$1,000 for a one-bedroom and \$1,400 for a two-bedroom apartment. The building is not subject to rent control because it was vacant and renovated in the early 1990s.

The Washington Apartments at 7<sup>th</sup> and N Streets were built as affordable housing under the HUD Section 236 program. About 40 percent of the units are subsidized by project-based Section 8, but last year an enormous rent increase changed the landscape. Market-rate tenants had an opportunity to get Section 8 “enhanced vouchers” to help cover the rent increase, but approximately 37 households moved out, either uninformed about the Section 8, unwilling or ineligible to use it.

The New Plaza Apartments at 1115 12<sup>th</sup> Street, show a more typical, slightly less drastic rent increase. In this non-luxury, non-subsidized building, a large one-bedroom apartment that a year ago rented for \$775 now rents for \$1,100. This 42 percent increase may not immediately displace many people, but as units turnover it will require a higher income tenant.

### **Condo Conversion:**

Condominium conversion often is the culmination of a multi-year process that creates an indirect displacement effect. Tenants may not be forced to move, but they will not be replaced when they leave. In this way, landlords intending to sell to a condo developer achieve a vacant building through attrition, such as occurred at 1201 Q Street, NW, one of the first condos in Shaw. Mostly elderly tenants moved or died and were not replaced, setting the stage for condo development in 1998. Units at this location now sell for \$215,000-\$300,000.

The 40-unit building at 1216 10<sup>th</sup> Street has the dilapidated condition and increasing vacancy that signals a likely move toward a conversion. The building is on the market for \$2.7 million, a price which prohibits the low-income tenants from buying the building.

Other buildings which formerly housed renters and have become condos include 1425 Rhode Island Avenue, NW, 1437 Rhode Island Avenue, NW, 1412 11<sup>th</sup> Street, NW, and 207 R Street, NW. Another variation on conversion: the D.C. government oper-

***Direct displacement of tenants to allow for condominium conversion occurred in 2002 at 1750 16<sup>th</sup> Street, one block west of Shaw. This 64-unit apartment building was sold for \$3.4 million, and the low income tenants negotiated an agreement to move from their \$400-735/month apartments. An average of \$8,800 per household was paid to this largely African-American and Latino tenant group, and the building has undergone complete renovation. Condominium units are slated to sell for \$400,000 to \$1.4 million according to recent advertisements.***

***David Merchant-Dest*** is the President of the tenant association at 1216 10<sup>th</sup> Street, NW, which is a dilapidated, largely vacant building now up for sale. David has organized the Association in an effort to respond to tenants First Right to Purchase.

“I moved into this building in May 2002. We are dealing now with a well-known slumlord that’s looking to sell this building for \$2.7 million without any repairs or renovations. Look at this place. No repairs. The elevator has been broken for 15 years. There are people that want to buy the building and turn it into condos. We [the tenants] are looking to turn it into a co-op with affordable rent. But it takes a lot of time as well as money and most of the folks in this building aren’t well to do.

Tenants here work in the area. There is a lady in this building that works at the Florida Avenue Grill. She can walk to work if she feels like it, take a 2-3 minute cab ride. If she has to move, how will she get to work? I’ve seen \$300-\$500 a month apartments turned into condos selling for half a million dollars because the tenants didn’t have enough staying power or strength to stop that from happening. Good people get displaced because they don’t have the time or financial resources to invest into the process.”

ated a homeless shelter during the 1980s in a former school at 1408 Q Street, NW, ceased operations, moved residents to other facilities, and sold the building to a condo developer in the late 1990s. A unit in that condo recently sold for \$406,000.

### **Houses and Boarding Houses:**

Single family row houses in Shaw often were rented out during the 1980s and 1990s, when there were few potential purchasers wanting to live in the neighborhood. As the homeownership market began to heat up in the late 1990s, owners decided to sell their homes to new owner-occupants, cutting the number of affordable rentals available. Even the eastern portion of Shaw is now affected; a tenant family at 306 R Street, NW, was displaced last year so the house could be sold and renovated. It is now on the market for \$389,000.



**Curtis Mozie** is a lifelong Shaw resident who is best known for his “Tale of the Tape” project, videotaping young people’s experiences dealing with neighborhood gang violence. He also has recently been displaced from his home.



“As a youth I lived with my family in Kelsey Gardens on 7<sup>th</sup> Street, NW. In 1992 I moved into a rooming house at 1507 8<sup>th</sup> Street and I paid \$375 there as one of four tenants.

The era from 1994-99 was a trying time as far as violence in this community; a lot of young people fell victim to it. My place was like a safehouse for kids affected by violence and looking for refuge.

In summer 2002, my landlord had to sell the house because he couldn’t keep up with the costs. It sold for \$240,000 (and is now about to have its renovation completed). So I moved to 200 P Street and I pay \$524 for a one-bedroom. It’s hard to afford but I don’t have a choice. I have managed to maintain my rapport with community folks because I still work here on 7<sup>th</sup> Street at Bread for the City.

It’s a shame that I survived the warzone era here but now I’m being forced out. Changes in this neighborhood are for the better in terms of quality of life, but I feel I should be able to be included in that change.”

This spring, the boarding house at 1505 8<sup>th</sup> Street, NW, near Giant Foods, went on the market for \$750,000. Nine rooms have been rented to tenants who will automatically have to move because the house is being sold to an owner-occupant. Next door at 1507, another recently vacated boarding house where rooms rented for \$375 is now undergoing renovation, ready for sale to new owners at perhaps \$800,000. A former boarding house at 905 Westminister Street, NW, was vacated and now is undergoing renovation.

**Samuel Baker** and his sister lived until last year in a home at 1808 6<sup>th</sup> Street, NW. The family had rented the house for 28 years, until it went up for sale. With an asking price of \$162,500 for an unrenovated house last year, they had no chance of being able to afford to buy. They moved into an apartment in Northeast, D.C.

**Jada Seegers** is a long-time Shaw resident who works as a physical and massage therapist and has just completed a degree in gerontology. She has one son who recently graduated from college.

“I rented part of a house at 900 S Street, NW, for 13 years, starting in 1988. In 2001, my rent was increased by \$300 to a level I could no longer afford. My relationship with my landlord wasn’t dynamite, but I could tell that she didn’t really want to kick me out. But at the same time she wanted more money, so I had to go.

The area went from black to white almost over night. I saw senior citizens in particular getting pushed out of the area. There was an older gentleman that lived near me that would always be out walking around 7:30 a.m. He was somewhat of a marker of time for me in the mornings. But then all of a sudden he was gone. I asked the neighbors about him and they said he moved.

The first place I looked when I was moving was Shaw and initially I wasn’t able to find anyplace, even with a Section 8 voucher. I moved to Southwest for

some time, and in regards to how I was feeling — I felt displaced. I got used to living in Shaw. But I kept in contact with people in Shaw and I was able to move back.”



One former and one current boarding house on 8<sup>th</sup> Street, NW are converting to single family ownership

## Commercial Displacement

Gentrification of the Shaw neighborhood has not only affected its long-time residents, but also the small business community. After surviving decades of disinvestment in the commercial corridors, high crime, and loss of business due to the arrival of Metro's Green Line, local business owners are now facing the threat of displacement. Many welcomed the real estate boom that brought new residents to houses long vacant, as well as the new Washington Convention Center and its promises of two million visitors each year.

By and large, these small businesses have lost out. Landlords, once grateful for tenants to occupy their blighted buildings, are now holding out to the highest bidder as commercial property values escalate.

Some refuse to renew leases; others increase rents to "market rates" (up to \$40 per square foot) that are unaffordable to most current shopkeepers. As a result, the automotive shops, carry out restaurants, barbershops, and other mom and pop businesses that once lined the neighborhood's major thoroughfares are swiftly being replaced with upscale condominiums, high-end furniture galleries, cafes and niche retailers.

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**Daniel Asnake** owns the *Continental (Ethiopian) Restaurant* at 1433 P Street, NW and may be forced to close due to higher rent.

"I've had this business here since 1997, when things were different. Today everything is "new" or "coming soon." The area has been demolished and then redeveloped. Yes, my rent has absolutely increased. More people have been interested in the area and that has dramatically raised rent and everything else.

I have not had an increase in patrons; I'm still serving the same clients. I've had to cover the rent increase out of my pocket. I am being displaced because of cost of doing business. There are more upper income people moving in and the homeless people that used to be out on the streets are gone. Nobody can start a business here unless he is coming with a hefty pocket."

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Retailers like Ace Electric Supply at 14<sup>th</sup> & P Streets have been hit hard. This family-owned business had served the community for 67 years before closing its doors in August 2002 when the landlord sold the property to the nearby Studio Theater.

The Dog Wash at 9<sup>th</sup> & M Streets, NW flourished through the 1990's in the shadow of the construction of the new convention center. In January of 2002, the landlord declined to renew the lease in order to sell the building, which had risen in value significantly since construction on the facility began. Owner Lynda Wright decided it would be easier to close The Dog Wash than to move; she estimated that her rent would increase by at least 500 percent if she remained in Shaw.

**Anthony Quilden** is the owner of *Cuttin' Up Barber Shop* at 1206 9<sup>th</sup> Street, NW, across from the new Convention Center. He may be facing termination of his lease now that the Center has opened.

"I've been operating this business here since 1993. The initial lease was for \$800 per month and rent has

only increased by \$50 over the past 10 years. I once operated a hair salon out of the neighboring storefront but had to close it because I couldn't afford it. At the height of the business, I had up to 14 stylists/barbers working in the shops. Now there are two barbers remaining.

The lease has lapsed now and the landlord will not renew it. The landlord is interested in selling the property once the Convention Center construction is completed. So I am currently renting the space on a month-to-month basis. There were around 25 businesses in the two surrounding blocks in 1993, including a laundromat, health clinic and a dog grooming shop. Today, there are only nine left. Some closed because of loss of business due to construction. In general, business owners didn't understand the magnitude of the impact the construction would have on their businesses."



## Future Hopes in Equitable Development

Manna Community Development Corporation (CDC) is working to offer an alternative to gentrification in Shaw by

- helping preserve the stock of Section 8 affordable housing;
- creating new affordable housing and living wage jobs; and
- providing technical assistance to local small businesses.

All these activities fall under the major organizing concept known as “equitable development.” Equitable development sees neighborhood revitalization through the lens of long-time residents, with a focus on developing people and place simultaneously. It aims to secure housing, business ownership and job creation benefits for those residents. Community participation in setting goals for the outcome of development, especially of large projects and publicly owned land, is also an integral part of the concept. Our efforts to plan and implement this program are in partnership with DC Agenda, a local civic organization working in partnership with many sectors to solve problems in the city’s underserved neighborhoods.

### **Preserving Affordability**

Specifically, Manna CDC is working with several tenant associations within buildings subsidized by Section 8 to keep these associations “in the game.” We assist the associations to be actively involved in negotiating with landlords if the building goes up for sale, or over the extension of the Section 8 contract. One of these, the Immaculate Conception 2002 Tenant Association, has formed a partnership with a non-profit housing developer to purchase their 136-unit building at 1330 7<sup>th</sup> Street, NW, ensuring continued affordability plus resident involvement in decision-making. Manna CDC is providing training and technical advice to that association.

### **Land Development for New Housing and Jobs**

Several important parcels of vacant land in Shaw are owned by quasi-public agencies, the National Capital Revitalization Corporation (NCRC) and Washington Metropolitan Area Transit Authority. This provides an opportunity for an organized community to weigh in on the goals of these developments. We are working with neighborhood residents to be prepared to have input regarding use of this land, the type and extent of public benefits that should be offered, and the selection of developers.



**Valerie Randolph** has lived for 24 years at 1540 6<sup>th</sup> Street, NW, a house her husband grew up in. She has raised her three children there. She lived through many years of drug-related crime in the surrounding area, though conditions have improved now. She and her husband own their house, and while they are not facing displacement personally they are greatly concerned about it.

“I have witnessed a lot of displacement in the past year. Starting last June, I’d say at least ten families had to move from the houses just on my 6<sup>th</sup> Street block of 25 houses. They’d been here all these years so I assumed they owned their houses, but they were renters. Just last week, an extended family moved from 1547 6<sup>th</sup> Street to Southeast D.C. because the house was put up for sale for \$310,000 (unrenovated), a price they couldn’t dream of affording.

My family has lost long-term friendships, my son has lost playmates. One family moved to Bowie, another to Laurel. Our neighborhood has seen a metamorphosis. I have a great concern that long-time residents are being disproportionately ‘exited.’ It makes me nervous. I know the Mayor is interested in development, but can’t you have an equal balance? It’s not right.”



## Temperance Row

Temperance Row is a 10-unit rowhouse development planned as a very affordable homeownership project by Manna and Manna CDC. It will be a limited equity cooperative in order to preserve affordability for future generations, another example of equitable development. Its location in the middle of the block near 13<sup>th</sup> and U Streets near the Metro makes it an attractive spot. However, as of April 1, 2003, its construction is held up by the Board of Zoning



Adjustment's disapproval of a needed variance to allow residential development on a 15-foot alley, a decision that exacerbates the shortage of affordable housing in Shaw.

### Retail Opportunities

The CDC is a community partner with the Convention Center Authority working to bring neighborhood-based businesses into the retail space at the Center. We hope that when the bulk of this space is ready for occupancy in 2004, there will be a number of Shaw entrepreneurs who will benefit from the advantageous location.

### Public Policy

Overarching these issues are the D.C. government and its priorities in supporting affordable housing and neighborhood employment and business development. To create new housing affordable to the typical Shaw renter, public or private subsidies must be

available to write down costs. For example, a program initiated in 2002 by Mayor Anthony Williams is the Housing Production Trust Fund, which takes a small portion of real estate-related fees and earmarks it for development of affordable housing. If we are to retain the long-term renters or offer homeownership opportunity in neighborhoods like Shaw, it is clear that full funding of an affordable housing fund is vital. Among the other policies needed, the Administration needs to actively pursue enforceable mechanisms to achieve local hiring and equity stakes in new developments, ensuring that public resources are leveraging benefits for D.C. residents.





*“Prepare to participate! Prepare to participate and your young men (and women) will get the jobs rebuilding this community. Prepare to participate and the businesses of the community will not only serve you but sustain you. Prepare to participate and health, welfare and municipal services will go up. Prepare to participate!”*

Dr. Martin Luther King, Jr.  
in a speech delivered in Shaw on March 12, 1967