From Community Blight to Community Asset:
The Renovation of the Historic Whitelaw Hotel into Affordable Housing

Patricia L. Renneckar

Thesis submitted to the Faculty of the
Virginia Polytechnic and State University
in partial fulfillment of the requirements for the degree of

Master of Science
in
Geography

Susan Brooker-Gross, Chair
Alnoor Ebrahim
Gerard Toal

December 17, 2001
Blacksburg, Virginia

Keywords: Affordable housing, urban redevelopment, gentrification, and the Whitelaw Hotel

From Community Blight to Community Asset:
The Renovation of the Historic Whitelaw Hotel into
Affordable Housing

Patricia L. Renneckar

(ABSTRACT)

The intent of this thesis is to investigate whether there is a place for low-income residents in gentrified neighborhoods by examining how the housing needs of these households are provided. Affordable housing development and maintenance are key components for preserving a place for low-income residents in gentrified communities.

This paper investigates the provision of affordable housing through the renovation of the historic Whitelaw Hotel in Washington, D.C. by recreating the renovation events from interviews with participants in the project to document the obstacles to and benefits of the success of these projects. The paper also examines the issue of affordability and sustainability of affordable housing projects. Affordable is a subjective term. Local jurisdictions determine the income criteria that establish eligibility for affordable units. In many cities such as Washington, D.C., the area median income (AMI) used to determine eligibility is higher than the median income of the neighborhoods in which the affordable housing is located. A high AMI increases the number of households eligible for subsidized housing, which heightens competition for these units pitting very low-income households against households earning almost twice their income. Also, the sustainability of affordable units is contingent on many factors. There are mechanisms for preserving affordability and many limitations, including personal decisions, which impact their longevity. This paper found that while the renovation project successfully created affordable housing there was little consensus by interview participants on the definition of affordability or whether the project is sustainable as affordable housing after the low-income housing tax credits expires.

ACKNOWLEDGEMENTS

I would like to thank Manna Community Development Corporation for their support of this project. Through discussions with Manna CDC employees I was introduced to the work of Manna, Inc. and specifically the Whitelaw Hotel renovation. Manna CDC provided historical information about the Whitelaw Hotel and the Shaw community and contact information for several of the interview participants. They also offered a convenient space to conduct interviews with participants.

I would also like to thank the project's architect, Ronnie McGhee. Mr. McGhee was not only generous with his time in discussing the history of the Whitelaw Hotel but he collected historical documentation of the Whitelaw Hotel during the renovation project, which he permitted me to use for my paper. Additionally, he allowed me access to his collection of photographs of the building for use in my paper. Much of the historical information would have been difficult to locate and the photographs impossible to obtain without his assistance.

I would like to thank my advisor, Susan Brooker-Gross, for her availability and commitment to my project over the past year.

I am grateful to the Virginia Tech Geography Department for providing funding for my travel expenses to Washington, D.C.

Lastly, I want to thank my husband for keeping me company on several research trips to Washington, D.C., his diplomacy over the use of the computer, and his relentless support for my work.

Table of Contents

I.	Urban Neighborhoods and the Housing Demand	1
II.	Gentrification and Changes in Neighborhood Characteristics	8
III.	An Overview of Federal Housing Policy and Historic Preservation	23
IV.	The Uptown Community	32
V.	Methodology	40
VI.	Before: The History of the Whitelaw Hotel	50
VII.	After: The Renovation Process	56
VIII.	The Success of the Whitelaw Renovation?	73
IX.	Conclusions	87
Appendix A- List of Participants		96
Appendix B- List of Interview Questions		97
Selected Bibliography		102

List of Tables

Table-1, Sources and Uses Statement (Appendix 11-1(b) from Hecht 1994, 228-229 61

List of Maps

Map-1, Northwest Washington, D.C. 4

Map-2, Street Map of Shaw 33

List of Figures

Figure-1, The Whitelaw Hotel prior to renovation, 1979 50

Figure-2, The renovated Whitelaw Hotel 56

Figure-3, The restored ballroom 68

Chapter One

Urban Neighborhoods and the Housing Demand

There is a shortage of quality affordable housing for low-income households in cities in the United States. Specifically, urban neighborhoods that have undergone gentrification[1] have experienced a marked decline in the amount of affordable housing units, which threatens the existing low-income population's chances of remaining in the neighborhood. There is a need for quality affordable housing in areas where demand is high because low-income families cannot afford to compete for housing in these areas. This inability to compete impacts these households in several ways. Increasing rents or property values, which increase the annual property tax for the owner, strain household finances of the renter. The option for households not able to afford the higher rents and taxes is relocation to neighborhoods not yet experiencing similar housing demands. The quality of affordable units in these less desirable neighborhoods is typically poorer because of a lack of reinvestment (Beauregard 1986, 47). Relocation results in social changes that can also impact the household. Social relationships are sometimes severed or strained, there are changes in transportation networks, which affect households that rely on public transportation, and children often must attend new schools, which requires them to make social and academic adjustments of their own.

The shortage of quality affordable housing affects thousands of residents in Washington, D.C. In 1996, the District of Columbia housing market was considered affordable, with the median price of single-family housing at $135,000 and the median price for condominiums at $109,500 (Lelen 1996, E01). The affordability of Washington, D.C. compared with housing prices in suburban Maryland and Virginia started a stream of interest in

[1] Gentrification is the rehabilitation of housing stock that transforms a neighborhood from poor and working class to middle-class. See Chapter Two.

homeownership options into the District and was seen in the multitude of new construction and rehabilitation projects in the city. At the same time, the U.S. Department of Housing and Urban Development reported that “the number of apartments that low-income families could afford diminished by 900,000, while the number of working-poor families increased by 265,000 nationwide. During 1997, 26,430 people were on the waiting list in the District [of Columbia] for public housing or federal housing assistance” (Lewis 1998, G12). These figures, in addition to an unreported number of people not aware of how to obtain housing assistance attest to the shortage of affordable housing for low-income households. The strong economy of the late-1990s was blamed for the worsening shortage of affordable housing. When the economy is strong, incomes increase and unemployment falls, causing rents to increase, which reduces the affordability of units (Lewis 1998, G12). Also, shifting consumption demands and a change in the perception of urban living contributed to the shortage of affordable housing.

The provision of affordable housing for low-income households is a place-based issue that not only influences a household’s options for shelter but also aspects of life which are defined by one’s community such as friendships, a child’s schooling and transportation time and cost. The state of the economy and local housing policy are two major determinants of the availability of affordable housing for the low-income urban population. Low-income households rarely influence the economy; typically they are influenced by the economy. With restricted finances, these households choose their housing based on affordability instead of a combination of factors that is typical of the middle class. Local housing policy also affects housing availability for the low-income population. Policies such as requirements for builders to set-aside a percentage of units for low-income, rent control or low-interest mortgage loans impact the availability of affordable units.

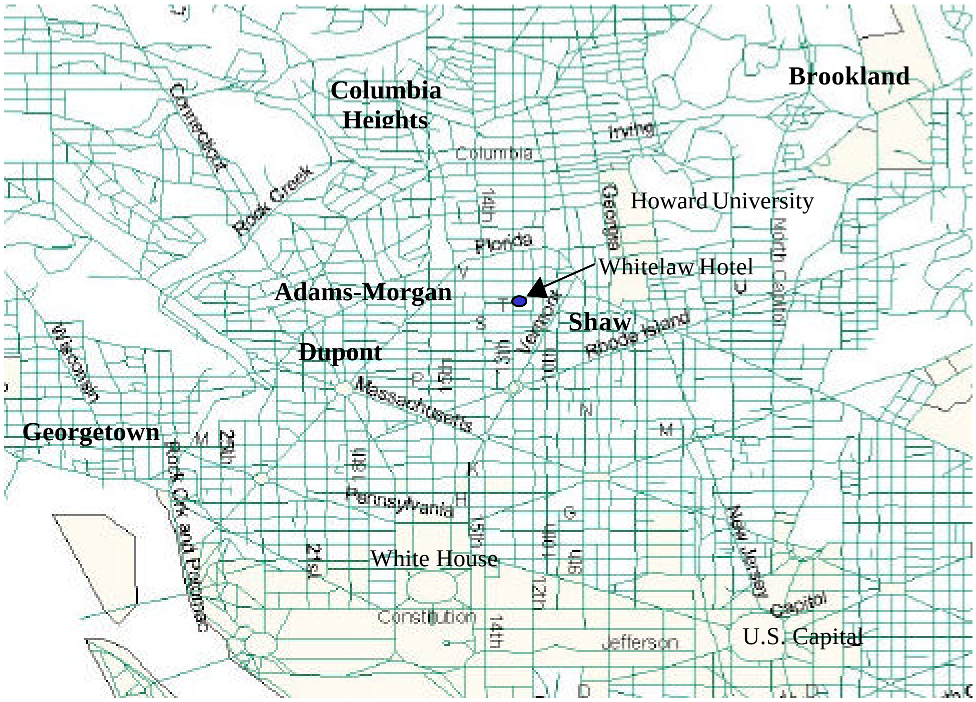
The intent of the study is to investigate whether there is a place for low-income residents in their neighborhood after gentrification. If so, how are the housing needs of these households provided? Affordable housing development and maintenance are key components for preserving a place for low-income residents, but is the affordability sustainable in neighborhoods experiencing significant changes and heavy demands on the housing market? Regardless of income level or socioeconomic status, people grow accustom to the areas in which they live, they build social and civic networks and establish normalcy for their families. Low-income households are more susceptible to being displaced out of their neighborhoods due to changing housing demands and are forced to reestablish themselves in new communities.

Conversely, many low-income households would rather stay for reasons that cannot be recreated in other affordable communities such as the possibility of good schools or other public services and historic or familial ties to the neighborhood. Many urban neighborhoods, such as Harlem in New York City and the Mission in San Francisco have a rich cultural history to which people identify. Limited mobility has kept poorer households in these neighborhoods during times of decay and many households would like to remain in these communities and benefit from reinvestment activity instead of being displaced.

This paper examines these issues by reconstructing the renovation process of an historic hotel into affordable housing units for low-income households and recounts the perceptions of project participants and community residents concerning the impact of the renovation on the community. Recreating the events of the renovation provides insight for stakeholders in the arena of affordable housing provision into the risks of affordable housing projects, the obstacles faced by developers to make these projects successful and the benefit of engaging in projects that serve a community need such as affordable housing development for the population. Recollecting the perceptions of community members concerning the impact of the project on the neighborhood and the sustainability of affordable units in the area elucidate~~s~~ the perceived effectiveness of projects that create affordable housing in locations with a high housing demand. Similarly, the community's response to projects that produce affordable housing expresses their sense of place in a neighborhood that is undergoing change severe enough to generate concern over sustainable affordable housing.

The housing development chosen is the Whitelaw Hotel in the Shaw neighborhood of Northwest Washington, D.C (see Map-1). This hotel is an historical landmark. While in operation, the hotel housed prominent African-Americans such as Joe Louis, Cab Calloway, Charles H. Houston and Thurgood Marshall during their stay in the District of Columbia (Whitaker 1977, A01). As one participant in the study states "there are what would be called crown jewels of the black community that are history. Whitelaw is one of them" (Dickerson 2001). After the 1968 riots following the assassination of Martin Luther King, Jr., the building fell into disrepair and, in 1977, was condemned. After years of abandonment and neglect, Manna, Inc., the largest nonprofit housing developer in Washington, D.C., restored the Whitelaw Hotel in the early 1990s with much urging from the community.

Map-1 Northwest Washington, D.C.



Map Compiled from 2000 TIGER Data

The renovation of the Whitelaw Hotel into affordable housing is a significant project not only because of the provision of much needed housing for low-income residents of Shaw but also because the project preserved a significant piece of neighborhood history. The Shaw neighborhood was once known as the “black capital” of the nation because of its premier social, academic, civic and entertainment institutions. African-Americans nationwide regarded the Shaw community as a symbol of success. The preservation of the Whitelaw Hotel is significant because the history of African-Americans has been loosely documented and its preservation harder to cement as a result (McGhee 2001). As stated appropriately by the director of the Mary McLeod Bethune Memorial Museum in Washington, D.C., “buildings are documents of history no less important than written letters and documents” (Gilliam 1983, D01). At the beginning of the project, the Whitelaw was one of the first buildings of black cultural significance to attain local landmark status. The completion of the project was a milestone for the preservation efforts of African-American cultural history in Washington, D.C.

Renovation projects such as the Whitelaw Hotel create affordable housing options that preserve a place for low-income households in neighborhoods that have undergone redevelopment. The concern is over the sustainability of these affordable units over time and in different economic conditions. The recreation of the Whitelaw Hotel renovation addresses the question of whether there is a place for low-income residents after gentrification by exposing how affordable units are produced and under what types of constraints. The other important question of this study is to what extent are affordable housing units maintained in urban neighborhoods? This question addresses the more variable aspects of affordable housing provision that are dependent on local housing policy, the local government's agenda toward the low-income population, and shifts in the local economy that influence housing costs and demand. These issues are less certain and are in no way are guaranteed simply through the construction of units originally designated as affordable.

Projects like the Whitelaw renovation are important events that help shape the urban landscape. The goals of the study are twofold. First, the study seeks to narrate the process of the property's renovation through the eyes of the people involved in the project. Through interviews and newspaper articles of the time, the renovation process is reconstructed. Interviews allow for the documentation of significant details of the renovation that were considered important to participants. These details focus on aspects of the community's support and response to the project. Second, it evaluates the reactions of community residents to the outcome of the project and their perceptions of the impact of gentrification on the sustainability of affordable housing in Shaw. Understanding the details of affordable housing development and their perceived impact on the community as well as the likelihood of sustainability explain how these projects as a whole influence the look of neighborhoods and more generally, urban landscapes.

This paper highlights the role of gentrification activity and how it influences the provision of affordable housing for low-income households. Gentrification has been occurring in Shaw for more than a decade. During the renovation of the Whitelaw Hotel, gentrification was slow and not prevalent in all areas of the community. Today gentrification in Shaw is extensive. This gentrification altered the look of the community and spawned changes in housing affordability. Also significant is that gentrification has created a shift in attitudes by many long-term community residents and new residents that is seen in the attraction to the neighborhood and the desire by many poorer residents to remain in the neighborhood. This study evaluates the perceptions of Shaw residents, both middle and low-income, to the changes caused by gentrification and whether affordable housing is sustainable in their community.

The historic significance of Shaw is an important component to the prevalence and pace of gentrification. The abundance of housing with architectural and historical distinction makes Shaw attractive to middle and upper class homeowners (Beauregard 1986, 37). Historic preservation, which some speculate accelerates gentrification, is important to both new and long-time residents. The value of Shaw to long time residents is tied to its history of affluence and success for the African-American community. For new residents, Shaw's value is not only its historic significance and subsequent preservation efforts but also its accessibility to work, shopping and social activities. Shaw's historic significance creates a place that will always be regarded as important even if there has been periods of time that the area was in distress and there was little attraction from outside the neighborhood. This attitude might not be prevalent if Shaw were not historically significant. This study addresses whether the historic value of Shaw impacts the perceptions of community residents concerning gentrification activity as it relates to preservation activity in the neighborhood.

This paper begins with a review of literature pertinent to understanding the importance of affordable housing development. Chapter Two explains the process of reinvestment and redevelopment in urban areas and the associated impact on low-income households and affordable housing. Chapter Three focuses on the history of housing policy and the federal government's track record of funding housing development and attempts to preserve affordability. The relationship between the trends in capital investment and redevelopment and housing policy and subsidy provision are critical to understanding the increasing shortage of affordable housing for low-income households and options available for maintaining an affordable urban housing stock. Chapter Four describes the layout of the research and the methods used for collecting and analyzing the data. Chapter Five introduces the Shaw community and highlights the community's historical significance, period of disinvestment and devaluation and the reinvestment and redevelopment occurring since the 1980s and introduces the nonprofit housing developer for the project. Chapter Six explains the historical significance of the Whitelaw Hotel. Chapter Seven is the recreation of the renovation process based on the findings of the interviews. The format of the findings is intended to exhibit the responses in the context of the events. Rather than isolate each interview as a narrative the responses are brought together to create a story that describes the major aspects of the renovation. Chapter Eight highlights the responses of community members to the Whitelaw renovation and addresses broader issues such as the impact of gentrification on the neighborhood and the actual and perceived meaning of affordable housing. These issues illustrate the need for further research in this area and possible ways to build from this study. The last chapter summarizes the analysis of the study and proposes recommendations based on the findings.

Chapter Two

Gentrification and Changes in Neighborhood Characteristics

The term “gentrification” was originated in 1964 by sociologist Ruth Glass to explain the “rehabilitation of working-class and derelict housing and the consequent transformation of an area into a middle class neighborhood” (Smith and Williams 1986, 1). The term described a process beyond the financial reinvestment and physical rehabilitation of dilapidated neighborhoods. Inherent in the definition was the upgrading of the class status of the neighborhood as well. The origin of the term was from the word “gentry” meaning of noble rank or birth[2] or a “gentleman”, a man of good breeding and social position[3]. In Glass’s definition above, the rehabilitation of neighborhoods that currently house the working class caused the area to “transform” or upgrade, which attracted the higher classes to the area. The definition shifted and was modified as research progressed to emphasize not only the causes of gentrification but also its effects on the neighborhood’s economy and demographic composition.

Gentrification has occurred in periodic waves over the past 50 years affecting select neighborhoods within certain urban centers and has taken many forms including ‘new urbanism’ development projects, real estate industry promoted ‘new communities’, and historical preservation movements. The process operates in the residential housing market but impacts the economic and social sectors, which work to contribute to the complete spatial restructuring of the neighborhood. For the purpose of this study, gentrification is defined as the process of financial reinvestment and the redevelopment of housing stock that cause a change in the socioeconomic character of the neighborhood as higher-income households replace low-income and working-class residents.

[2] The Barnhart Concise Dictionary of Etymology, 2nd Edition
[3] Webster’s Collegiate Dictionary

There has been extensive literature on gentrification since its academic coinage in 1964. Research has occurred in distinct phases since the early 1970s. The early literature was heavily descriptive. Academic work described the socioeconomic characteristics of gentrifiers, what made neighborhoods desirable, the cultural changes occurring in neighborhoods, and the effects of redevelopment, which were mostly regarded as negative at that time. Some analysts postulated that gentrification was a "return from the suburbs"; however, on average, only one-quarter to one-third of the new residents in gentrified neighborhoods relocated from the suburbs (Smith 1979, 540 and Legates and Hartman 1986, 180). Most in-migrants came from other areas of the city, on average 64 percent (LeGates and Hartman 1986, 180), or other close-by cities.

Theory Development

Geographer Neil Smith has been a central figure in gentrification research since the late 1970s. In 1979 he developed an economic theory to explain the process of gentrification. He asserted that a complete theory must focus on the symbiotic relationship between consumers and producers. Consumer preference and demand prompts producers to reinvest and redevelop decayed housing and construct new housing in particular inner-city neighborhoods. Consumer demand was generated by the realization of a potentially "sound financial investment", i.e. a profit by reinvesting in inner-city property. Smith explained the historical decline of cities, which he asserted is cyclical beginning with the first cycle of investment and use, followed by landlordism and homeownership, blockbusting, redlining and eventually abandonment. This process was driven by a shift in consumption patterns and was the underlying mechanism for the depreciation of inner-city land values (Smith 1979, 545). Gale described a similar pattern of the decline of neighborhoods. The stage theory, developed by the Chicago School, asserted that inner-city neighborhoods pass through a series of land use and population changes that begin with development and use by high-income residents, progresses toward deterioration, low-income use and abandonment and eventually is recycled into high-income use (Gale 1980, 82).

Another question Smith's theory sought to explain is why certain neighborhoods are more desirable than others for reinvestment. Basic land value theory states that land values peak at urban centers because its central location makes the area most accessible. Therefore, the proximity of many urban neighborhoods to the downtown increases the potential ground rent. Ground rent is the value claim made by property owners on their land above the cost price. Capitalized ground rent is the actual amount a landowner demands from the user. Potential ground rent is the amount that could be capitalized under the land's highest and best use (Smith 1979, 543). An integral part of the investment cycle of urban areas is what Smith labeled the *rent-gap*. The rent-gap is the disparity between the potential ground rent and the actual capitalized ground rent. The actual capitalized ground rent is produced by capital depreciation and urban development and expansion (Smith 1979, 545). As neighborhoods decline from the movement of capital towards other investments, such as suburban development, the rent-gap widens. Gentrification occurs when the rent-gap is wide enough that investors are able to purchase cheap housing and make a satisfactory profit after the cost of rehabilitation, financing and selling the unit (Smith 1979, 545). Once this occurs, the potential ground rent has been capitalized and the decayed neighborhood begins to be recycled and another cycle of use begins.

In sum, Smith's theory of gentrification argues that capital flows to areas where the rate of return is the highest. The cyclical movement of capital from one place to another eventually produces the rent-gap as a result of disinvestment in inner-city land where the potential ground rent is much higher than the capitalized ground rent. When this gap is wide enough, rehabilitation will emerge in the depreciated area and compete for the highest rate of return. The alteration in preference moves consumer capital into inner-city neighborhoods, redevelops depreciated housing stock and increases land values to the point that existing property owners find that they can benefit from the sale of their property and move to a more affordable location. However, working-class and low-income renters in the neighborhood can no longer afford the rising rents and either voluntarily relocate or are forced out through rising rents and cost of living. Displacement also occurs as a consequence of harassment, lack of property maintenance and, eventually, eviction as property owners try to refurbish their properties to attract more lucrative residents. This demographic turnover in the neighborhood is what makes gentrification a complex process whereby not only the physical structures of an area are revitalized but also the neighborhood population experiences an economic and social alteration as well.

The rent-gap explanation has been widely critiqued, expanded and rejected in the context of North American cities. For the most part, criticism focused on elaborating Smith's theory to better fit the complex urban setting for which the theory was developed. Only one critique definitively rejected the theory (Bourassa 1993) on the basis that it does not "reveal precise 'implications for' the location and timing of redevelopment" (Clark 1995, 1490). In response, Clark "re-examined" the rent gap theory in regard to the criticism and found that

Bourassa's claims were not consistent with Smith's intent for the theory. Clark asserted that the rent gap was not an "equation for the calculation of a break-even point of profitability, triggering the whens and wheres of urban redevelopment" or was it developed to determine the spatial arrangement of uneven development (Clark 1995, 1501). The rent gap theory was developed to explain the causes of uneven development in an urban context not to produce predictions.

Criticism of Gentrification Literature

From the late-1970s to 1980s, literature on gentrification became more theoretical and contextualized within broad models of capitalist society. Explanations focused on the broader economic context of gentrification, a process that played an integral role in shaping housing and urban land markets and the impact of private and public policy (Smith and Williams 1986, 2). The concentration on description and explanation in gentrification research provided fuel for criticism of theoretical works (London 1980 and Rose 1984). Criticism was welcome, to an extent, because of the complexity of the gentrification process and its integral role in "economic, social and spatial restructuring" researchers did not want to limit the understanding of gentrification based on an "overly restrictive definition" (Smith and Williams 1986, 3).

The extensiveness of gentrification research in describing the effects and developing explanations of the process and its causes generated criticism over divergent definitions and sought to reassess the causes of gentrification. Bruce London critiqued the accepted definition of gentrification as too culturally specific to British culture and the use of the British word "gentry" (London 1980, 78). He argued that class status and mobility are very different in North America and the term does not accurately fit this context.   He called the North American process *urban reinvasion.* He stated that movement has historically been from high to low, a succession towards decline and deterioration. Reinvasion described the unanticipated reversal of this pattern as more affluent households reclaim inner-city neighborhoods (London 1980, 80).

London proposed four explanations, demographic-ecological, sociocultural, political-economic, and social movements, compiled from existing literature to explain the phenomenon of urban reinvasion. These explanations were not mutually exclusive; in fact London asserted that the most accurate definition would include elements of all four. The social movements explanation integrated elements of the other explanations to provide the most accurate description of the process of urban reinvasion describing the reinvasion of the city by the middle class through an analysis of ideology, leadership, participation and control over area resources.

Overall, London's work highlighted the abundance of literature written in the late 1970s on gentrification and reveals some distinct differences in the conceptualization of the process, its causes and impacts on low-income residents and community characteristics (London 1980, 83-88).

Finding Common Ground in Gentrification Research

Smith and William's definitive compilation, Gentrification in the City, provided a forum to investigate the dynamic process without reservation in an effort to "consider the broad range of processes that contribute to [urban] restructuring, and to understand the links between seemingly separate processes" (Smith and William 1986, 3). The compilation is divided into five themes that the editors assert are not always easily distinguishable from each other—hence the complexity of the process.

The first theme focused on explaining the role of producers and "institutional" capital versus consumption-based factors in influencing redevelopment and the restructuring of the urban landscape. Beauregard investigated both production and consumption factors that contribute to gentrification focusing on the creation of gentrifiers and how this group decides to locate within cities, the type of housing deemed desirable by this group, and identified the pre-gentrification population (Beauregard 1986, 41). His essay stressed that understanding how gentrifiers come to exist and identifying the neighborhoods in which they locate is an important factor in consumption-side explanations of gentrification. Smith acknowledged the wide-range of factors, both production and consumption-based, in the restructuring of urban space and asserted that these occur at different spatial scales and are not always mutually exclusive. He addressed five developments and processes to explain the many aspects of urban restructuring including suburbanization and the rent-gap, the growth of the service sector economy, the cyclical movement of capital, and changes in consumption patterns (Smith 1986, 22).

The next three themes also investigated consumption versus production-based determinants of gentrification through different societal changes. The second theme focused on the post-industrial city and an explanation of changes in capital investment and allocation and its effect on the process of gentrification. The transformation of society from industrial to post-industrial altered urban land uses from production to more consumption-based, with gentrification the result of new consumption choices (Ley 1986). New consumption choices were the result of socioeconomic changes in the middle class caused by the replacement of the industrial economy with the service sector economy. The new economy created a more affluent middle class and this was manifest in their choice of commodities. Third, there was a focus on social structure and individual influences on the process. The two relevant essays explained the complexities involved with a changing socioeconomic environment. Fourth, the development of a new middle class through an increase in white-collar employment in the inner-city created a shift in values, perceptions, and commercial, retail and entertainment choices in the city as the this group replaces blue-collar/working-class households. Included essays focus on "class-based aesthetics of gentrification" and the social alterations as one community replaces another (Smith and Williams 1986, 7). These four themes concentrate on consumption choices and the socioeconomic shifts that have altered the urban structure and contributed to the redevelopment of urban space.

The fifth theme, the costs of gentrification, most notably displacement, are addressed and measured for New York City (Marcuse 1986) as well as other cities in the United States (LeGates and Hartman 1986). These essays identified the demographic make-up of the displaced and reasons for their displacement

Marcuse explained that the consequence of gentrification is displacement. Marcuse categorized displacement into four groups: last-resident displacement, chain displacement, exclusionary displacement, and pressure of displacement. There was difficulty in accurately measuring all groups of displacement because relocation typically occurs within the city (Marcuse 1986, 159) and data do not elaborate on the reason people move. The author estimated that between 77,000 and 150,000 persons were displaced yearly in New York City during the height of gentrification in the 1980s (Marcuse 1986, 172). As with gentrification itself, rates of displacement varied depending on the location and rate of change. Marcuse asserted that gentrification does not provide a cure for abandonment if large-scale displacement follows (Marcuse 1986, 174) and questioned whether there was a desire among politicians to do so.

LeGates and Hartman (1986) looked at the "anatomy of displacement" using studies measuring gentrification caused displacement from sixteen U.S. cities. In addition to describing the demographic characteristics of both the gentrifiers and displacees, they investigated the fate of people displaced as a result of gentrification. Data showed that displaced households generally resettle close to or in the same neighborhood. In one Washington, D.C. census tract, 29 percent of displacees moved to other residences in the same neighborhood (LeGates and

Hartman 1986, 190). This raised the issue of whether these households are continually threatened with displacement because of their relocation choices. Also, housing costs generally increased for displacees. The LeGates and Hartman essay summarized that displacement from gentrification was more widespread than previously reported and that displacement caused severe hardships for low-income households and the elderly.

Other works focused on the characteristics of post-modern society and the shifting consumption practices as causes of gentrification and the formation of a new urban landscape (Jager1986 and Knox 1991). These alterations emerged from the formation of a "new middle class" in urban areas resulting from the concentration of the service sector in central cities. This new middle class distinguished themselves from the traditional middle class through affluence onset by the shift in typical middle class occupations and expressed in increased "spending power" and altered consumption toward luxury commodities (Knox 1991, 184). More importantly, housing and neighborhood preferences also changed. There was an increased attraction to the cultural and social activities of urban areas. Cities provided variety in entertainment and cultural activities as well as a housing stock of historic and architectural significance unmatched in the suburbs.

The explanation of class and consumption changes as a cause for an increased attraction to urban neighborhoods and the change of urban areas toward a landscape of affluence and revitalization, rather than concentrated poverty and deterioration is largely evident within gentrification literature. The identification of a new middle class or "gentry" is important to understanding the driving forces behind gentrification and consequently research focused on these social variables in the explanation of gentrification.

"The Demise" of Gentrification?

The extensive focus on gentrification by researchers led some to question the magnitude of the process's impact on the urban landscape. Bourne argued that the plethora of literature on gentrification is misleading people into thinking that gentrification is "one of the most pervasive processes of social change" operating in the inner-city (Bourne 1993, 95). He asserted that the impact of gentrification is less pervasive than his colleagues imply through literature. Using Toronto to investigate his claims about North American cities, Bourne found that household income in inner-cities remained lower than its suburban periphery but acknowledged that using only income to determine the pervasiveness of gentrification may be too narrow. He asserted that if regarding the metropolitan area as a whole, gentrification has had a much smaller impact than claimed by previous “overzealous gentrification literature” (Bourne 1993, 102).

Lastly, he speculated that gentrification will continue to decline and that the slower rate of employment, real estate growth, stagnant incomes and other effects of the recession of the early 1990s would usher in a post-gentrification period. This post-gentrification period is defined by a reduction in potential gentrifiers as the baby-boomers age and their family size increases, and changes in the economy spark cutbacks in housing and other commodity consumption. Also, potential neighborhoods amenable to gentrification become scarcer largely because many of the desirable areas have been previously gentrified (Bourne 1993, 105).

The issue of a post-gentrification period and the process of de-gentrification polarized researchers. One group asserted that gentrification could not survive the severe recession of the early 1990s and thus had “run its course” while the other group acknowledged that gentrification had slowed but speculated that the process will continue and supported the claim with Smith’s rent-gap theory (Lees and Bondi 1995, 235). Lees and Bondi criticized Bourne’s study arguing that he found no definitive evidence in support of his theory that gentrification was declining in North American cities. In response, Lees and Bondi examined two heavily researched neighborhoods in New York City, the Lower East Side and Park Slope to assess the longevity of gentrification and determine whether the recession had in fact brought the “demise of gentrification” in these two heavily gentrified areas. They found that while gentrification had declined in both neighborhoods since the recession, the rate of diminution was highly variable and that the high variability among neighborhoods made it impossible to generalize about a de-gentrification hypothesis (Lees and Bondi 1995, 248). The authors speculated that post-recession gentrification would be more deliberate and “nastier” than the innocuous excess exhibited in earlier gentrification.

The Anti-Gentrification Movement

Post-recession research focused on the social and political responses to gentrification. Neil Smith was at the forefront of research addressing the civic and political, often violent responses to gentrification on the part of anti-gentrification advocates. Smith adopted the metaphor of the ‘Wild West’ to describe the urban reinvestment and migration of particular groups of people into New York City’s Lower East Side (Smith 1992). Smith reflected that the “urban frontier”, like the Frontier West, was initially inhabited by “risk oblivious” people, individuals and young couples not afraid to live in the midst of crime and inadequate services in order to live close to cultural interests. While these first pioneers openly opposed gentrification they were also responsible for creating an environment conducive to reinvestment and redevelopment that eventually spiraled into full-blown gentrification.

Smith’s “urban frontier” metaphor focused on a social explanation of gentrification. The frontier theme, with urban pioneers reclaiming urban space, the consequent upheaval of poor and working-class households, and their exclusion in gentrified neighborhoods as the social norm legitimated gentrification to supporters. The only hope for these vulnerable households within the newly polarized neighborhood of new and old was to conform or leave.

Smith dwelled on the changing social geography because it is within this context that the *anti-gentrification* push was more evident. Violence spawned by territorial clashes was not new. Roman Cybriwsky documented territorial clashes between existing and new residents in urban neighborhoods (Cybriwsky 1979). He found that there is a continual struggle on the part of threatened existing residents to hold on to control of their neighborhood as gentrification brings in a new group of residents that are able to afford the increasing property values. Changes in a neighborhood’s population also brought new public and social service needs as well as retail and commercial activities that no longer cater to the lower-income residents. The Wild West of the inner-city shifted from a largely residential space for the poor to a multi-use corridor of residential lofts, luxury apartments, trendy restaurants, retail fads, and advertising of real estate in the “Wild West” (Smith 1992, 11, 15).

In his book <u>The New Urban Frontier: Gentrification and the Revanchist City</u> Neil Smith argued that the increasing rent gap of urban land is driven more by housing producers than consumers (Smith 1996). He stated “to explain gentrification according to the gentrifyer’s preferences alone, while ignoring the role of builders, developers, landlords, mortgage lenders, government agencies, real estate agents—gentrifyers as producers—is excessively narrow. A broader theory of gentrification must take the role of the producers as well as the consumers into account, and when this is done it appears that the needs of production—in particular the need to earn profit—are a more decisive incentive behind gentrification than consumer preference” (Smith 1996, 57). Therefore the motives of “gentrifyers as producers” shaped urban space dictating which group of the population lives in which neighborhood. “Gentrification is a back-to-the-city movement all right, but a back-to-the-city movement by capital rather than people" (Smith 1996, 70).

Smith's "R*evanchist City"* was his label for the new wave of gentrification that occurred in the 1990s. Smith adopted the French term revanche, meaning revenge, to explain the vengeful attitude of new middle to upper class residents as they "take back" inner-city space occupied for decades by poor, working class and minority residents. By defining this new wave of gentrification in this manner, Smith attempted to expound on the class struggles associated with gentrification and the disruption of existing social norms that further marginalize the displaced population. Smith cited the atrocity of Tompkins Square Park, the media, and violent reality television shows such as Cops as "fuel for the continuation of the anti-gentrification movement" (Smith 1996, 211). The closing of the Lower East Side's Tompkins Square Park in June 1991 catapulted the issue of gentrification into the headlines as city officials overtly condemned the homeless of New York City and promoted the redevelopment of housing for new urbanites. The park became the site of the "most militant anti-gentrification struggles in the United States" (Smith 1996, 6). As property values increased in the 1980s, so did homelessness. City officials made no accommodations for relocating evictees because they saw no connection between gentrification and displacement. The Revanchist City moved beyond defining gentrification and understanding the causes and consequences to addressing accountability for the social disruption.

Gentrification proved effective at escalating tensions between opponents and proponents. Advocates for affordable housing regarded gentrification as the removal of the poor from desirable neighborhoods. On the other hand, advocates for renewal viewed gentrification as beneficial. In New York City, the political response to gentrification was summed up in a statement by Senator Alfonse D'Amato "Gentrification. Housing for working people. Amen" (Smith 1996, 164). This open support shifted towards recognizing the need for affordable housing, but common ground was difficult to attain. For example, Smith called gentrification a "Catch-22" because without rehabilitation the housing stock will remain decayed but with it comes the displacement of working-class residents that will not experience any benefits from rehabilitation.

As valuable downtown properties were seized for redevelopment more peripheral neighborhoods became attractive to investors. In the late 1980s, Harlem, just north of

Manhattan, showed signs of gentrification (Smith 1996). Harlem's proximity to one of the "highest-rent districts in the world" and extraordinarily low rents made this neighborhood desirable to investors. In response to consumer demand, the neighborhood gradually moved from the outskirts to the fringe of Manhattan and recently to a vulnerable area for redevelopment (Smith 1996, 143-144). One could speculate that the recent decision by former President Clinton to rent office space in Harlem is a sign that the neighborhood has moved beyond small-scale reinvestment to extensive gentrification.

Smith and DeFilippis updated the extent of gentrification in the Lower East Side in the 1990s (Smith and DeFilippis 1999). The authors reasserted that the economic recession of the early 1990s caused a decline in the pace of gentrification. By 1997, gentrification was no longer on the decline and the "uglier side of gentrification" reappeared in the neighborhood (Smith and DeFilippis 1999, 648). Landowners were bidding up real estate prices and avoiding the creation of cooperative housing, waiting lists grew for affordable housing, and landlords began harassing residents in hopes they would move. Anti-gentrification continued to be strong and opponents continued to voice criticism through entertainment venues such as the Broadway musical <u>Rent</u> and the television comedy show <u>Tompkins Park</u> as well as television commentary (Smith and DeFilippis 1999, 649).

The harsh reality that Smith and DeFilippis asserted was that the wave of gentrification after the stock market crash was more deliberate. New York City's place in the international financial and political sphere directed significant amounts of international capital to Manhattan. Smith again used the frontier metaphor to describe a "frontier of profitability" that moved through Manhattan neighborhoods in the mid-1990s and was currently moving through fringe areas of Brooklyn, Queens and Harlem. The Lower East Side has had a history of political activism against evictions, the attack on homelessness, and displacement but opposition to gentrification had minimal impact on the momentum of redevelopment throughout the decades. The authors, as well as others (Lees and Bondi 1995), determined that broader economic forces impacted the rate of gentrification and even stalled the process in some neighborhoods. But the process continued, albeit in a different form in the late 1990s in one of the most heavily gentrified and studied neighborhoods in North America.

Measuring Gentrification

Many researchers focused on developing methods for measuring the impact of gentrification. Researchers developed methods to measure the extent of gentrification, property abandonment, and displacement of moderate and low-income households. However, measuring the impacts of gentrification and displacement are complicated. Each city is unique and is affected by gentrification differently. Therefore, most research addressing neighborhood impacts has taken a more qualitative approach such as Brett Williams's study of the Mt. Pleasant neighborhood in Washington, D.C. in the late 1980s. Quantitative research concentrated on measuring the extent of gentrification and displacement in affected neighborhoods.

Wyly and Hammel updated Berry's 1985 article "Islands of Renewal in Seas of Decay", which described the effects of gentrification as isolated and neighborhood specific, by documenting the resurgence of gentrification in the mid to late 1990s (Wyly and Hammel 1999). The authors used Home Mortgage Disclosure Act data and HOPE VI plans to measure the extent of reinvestment and middle-income redevelopment in eight U.S. Cities. Their study found that the urban landscape shifted since 1985 into "Islands of Decay in Seas of Renewal" where downtown core and fringe neighborhoods have undergone extensive redevelopment. The only properties still rundown were existing public housing projects and abandoned public housing sites that were in the process of being renovated through the HOPE VI program. This in-depth study coupled with Smith and DeFilippis' study expounded that the rate of 1990s gentrification was substantial even though the type of reinvestment only faintly resembled earlier projects.

Recently, Atkinson reviewed literature on displacement and analyzed the extent of displacement in London (Atkinson 2001). He noted that while past research focused on the impact of gentrification on the displacement of low-income resident little research has been done to measure the extent of gentrification and displacement in London (Atkinson 2001, 150).

Atkinson relied on Marcuse's earlier research on displacement theory and measurement in New York City (Marcuse 1986) as a basis for measuring the extent of displacement in London. Using census data, the paper analyzed the influx of white-collar professionals and the consequent decline of working-class households into vulnerable neighborhoods. Atkinson argued that this variable was the closest link between tying gentrification (through an upgrade in a household's employment) to displacement (Atkinson 2001, 163). Beyond the issue of affordable housing needs associated with gentrification, displacement did not solve the social stigmas and concerns associated with low-income areas; it simply “rearranges rather than ameliorate the causes of poverty, environmental decay and the loss of neighborhood vitality—problems are moved rather than solved” (Atkinson 2001, 163). While the estimates were approximate, the study again clearly verified that displacement was an inevitable consequence of gentrification.

Studies of Gentrification and Policy Impacts in Washington, D.C.

Washington, D.C. has been the focus of several gentrification studies over the decades. Dennis Gale has written extensively about the changing landscape of the Washington, D.C. metropolitan area (Gale 1980, 1987 and 1991). Gale described the first revitalization efforts in Washington, D.C. as early as the 1940s, which centered in the neighborhoods of Georgetown, Capital Hill, and Foggy Bottom and exhibited that government funding was a necessary component (Gale 1987, 54). In the 1970s, neighborhoods to the north of the central business district, which included Shaw, followed. Characteristics of Washington gentrifiers were consistent with national trends and the type of redevelopment similar in neighborhoods. Gale’s analysis found that neighborhood revitalization was responsible for socioeconomic shifts in the District such as slowing the loss of the middle class, attracting newcomers from other cities, and relocating lower income households from revitalizing areas to the remaining neighborhoods of the city (Gale 1987, 81).

Gale noted that the District has "little need for municipal policies which seek to attract middle-income persons" as a result of the city's lively real estate market (Gale 1980, 109) but that the city faced a severe problem with displacement as early as the early 1980s. In Adams Morgan and Dupont Circle, African-Americans and Hispanics were threatened by revitalization activity and these neighborhoods saw a decline in minority populations in the 1970s and 1980s (Gale 1980, 68-72). The city government tried to avoid large-scale displacement by enacting several public policy responses such as rent control, condo conversion regulations, and rent supplements. However, the significant increase in minority suburbanization reflected the failure of government aid to the growing displacement problem in central-city neighborhoods.

In 1991, Gale conducted a study to measure the impact of historic designation of neighborhoods on property values in Washington, D.C. Historic districts are designated in neighborhoods where the residential stock is of historic and architectural significance. Opponents of historic designation argued that historic districts consequently increase property values in these areas because of the value placed on them through the designation and hasten gentrification. Gale's study found no evidence of increased property values associated with historic designation of neighborhoods, which was consistent with similar studies in Boston and New York (Gale 1991, 336).

To encourage the homeownership in the District of Columbia, the local government instituted a "first-time buyer tax credit" to potential homeowners that have never purchased a residence in Washington, D.C. The credit, taken for the year in which the residence was purchased, is a maximum of $5,000 for those who meet the adjusted gross income limitations (less than $70,000) and less for those with higher incomes ($70,000- $90,000) (Haggerty 1997, E16). Income limitations are higher for households that file taxes jointly. Tax incentives such as the first-time buyer credit were created to encourage suburban households to reconsider living in the District of Columbia. There is criticism by housing activists that this tax credit encourages outsiders to move into the District while overlooking the city's own residents, both renters and owners. Originally, the tax credit was intended for two years however, Congress has since extended the credit through December 31, 2001 and some policy analysts have suggested that the tax credit be implemented permanently (Kass 1999, G06).

Other incentives for increasing homeownership are tax abatements, below-market interest loans and local grants for qualified buyers. Some incentives cater to the middle class and some to the low-income population. Lack of affordability continues to be a key deterrent in homeownership for many moderate and low-income households.

Summary

A paper written for the Brookings Institution Center on Urban and Metropolitan Policy entitled "Dealing with Neighborhood Change" (Kennedy and Leonard 2001) is the most recent analysis of gentrification, the political dynamics and broad policy implications in four cities, including Washington D.C. The paper states that the three key features of gentrification in 2001: the upgrading of existing housing stock and the construction of new residential units, displacement, especially involuntary, and a change in the neighborhood character as a result of the impact of displacement and housing revitalization resemble earlier waves of redevelopment. Gentrification has consistently been a concern for many urban neighborhoods over the past 50 years. There have been changes in the way people react to the process but gentrification has persevered through recessions and public criticism and even violence. Researchers, analysts and activists recognize both benefits and problems to gentrification on urban communities but agree that the process is difficult to control once it has started. Kennedy and Leonard suggest that in order for communities to take advantage of revitalization without large amounts of involuntary displacement they need to promote equitable development and take early action to control the negative effects of gentrification. This suggestion is more easily stated than implemented. Creating equitable development and opportunity in urban communities takes resources and the inclusion of and commitment from all stakeholders to tease out the benefits of gentrification.

Gentrification literature over the past four decades developed in response to changes in the urban landscape. Literature described, measured, analyzed, and explained the causes and implications of the process. The focus of research shifted as real-life phenomena have altered the pace and look of gentrification. Few studies evaluated how gentrification impacts the chances of low-income households to remain in gentrified communities. Policy analysis addressed the “how” without always elaborating on the success rate or sustainability of programs.

Displacement has been identified as a major consequence for the low-income population of the gentrified neighborhood. For many reasons, displacement is not desirable to many low-income households. Displacement does not solve the problem of how to provide for these households because the literature reveals that displacees typically move to other vulnerable neighborhoods to take advantage of affordable rents (LeGates and Hartman 1986, 190).

More research is necessary to investigate how policy decisions such as the development and provision of affordable housing units might allow low-income households to remain in gentrified communities, take advantage of the reinvestment and slow the forced transience of the low-income population that has become common in urban areas.

Chapter Three

An Overview of Federal Housing Policy and Historic Preservation

The preamble to the Housing Act of 1949 states that the "goal of Congress is to provide a decent home in a suitable living environment for all Americans" (Rosen and Dienstfrey 1999, 437). Clearly, the public housing sites of inner-city America is only one example of the failure of the federal government to provide decent housing in a livable environment for all Americans. However, the problem with housing in the United States is not low rates of production but affordability. There is a shortage of affordable housing for low to moderate-income households. The federal government has made an effort to increase the supply of affordable housing through legislation and subsidy programs since the late 1930s.

While the major push in housing production and legislation came after the end of the Second World War, the first significant housing program was the Housing Act of 1937 that initiated the public housing program. This federal program resulted in the high-density inner-city residential sites that housed the urban poor. Even in the early years of this program there were severe problems with public housing sites such as the concentration of poverty (Jargowsky 1997, 211), poor management and neglect by the owner. Additionally, the public perception of public housing has been negative and has influenced the public's view of affordable housing (Johnson 2001 and Simpson 2001). The failure of the public housing program to fulfill Congress's mandate of decent housing in livable environments prompted the federal government to enact other programs and subsidies for the creation of affordable housing.

The creation of the Section 202 program out of the Housing Act of 1959 was the first time Congress subsidized nonprofit housing organizations (NHOs). The program provided funding to NHOs for the construction of housing for the elderly and handicapped (Bratt 1998, 142). Other programs followed. In the 1960s, the Section 221(d)(3) and 236 programs were enacted in response to growing opposition to public housing. These programs provided below-market interest rates to private housing developers (NHOs included) for the provision of subsidized housing for low-income households (Bratt 1998, 144).

The most well known program, the Section 8 program, provided below-market interest rates for the production of units with rental subsidies. Originally, the Section 8 program was both a production subsidy as well as a tenant subsidy. The rental units that were constructed were done so with the low interest rates and the building was subject to a 15-year compliance period. Afterwards, the owner could decide to renew the Section 8 subsidy or convert the building into unsubsidized units.

The tenant subsidy, or the voucher program, allowed eligible recipients to find housing in one of the Section 8 rental units. Recipients were required to pay 30 percent of their monthly income and then the federal Department of Housing and Urban Development would pay the difference up to the market-rate of the area determined annually by the agency. Section 8 vouchers were guaranteed for two years before the recipient re-applied. Tenant based subsidies provided more flexibility in the provision of affordable housing. However, there was still a shortage of quality affordable housing in urban areas.

NHOs have been more successful than government and the for-profit sector in the production of affordable housing for low-income households in the U.S. NHOs are relatively small-scale operations that require large amounts of capital to complete projects. Thus they rely on several outside funding sources, frequently collaborate in public-private partnerships, and depend on political networks for project advancement (Koebel 1998, 7).

Contrary to their name, the majority of nonprofit organizations do generate profit from their activities. The key distinction between nonprofit and for-profit organizations is that nonprofits are prohibited from distributing profits to the persons in control of the organization (Steinberg 1998, 23). In fact, nonprofit organizations may be more expensive to hire and less efficient project developers since they are not stockholder controlled but the trade off for donors is trustworthiness. Donors have greater trust in NHOs to use contributions to advance the mission of the nonprofit even if the nonprofit does not track how contributions are spent.

The main distinctions between nonprofit organizations and government are accountability and income generation. Governments are accountable to their constituents (the majority) and need to have the consensus of the majority in order to enact new legislation. In contrast, nonprofit organizations are able to target specific populations and arbitrarily focus on their needs. When governments lack funding for bills or projects they are able to raise taxes to increase revenue. Nonprofit organizations must rely on the generosity of outside funders (Steinberg 1998, 31-32).

Housing policy has historically dealt solely with housing production and provision. Ideally, housing policy should be a response to the political, economic and a social needs of a community; not just the area's housing needs (Bratt 1998, 140). The creation of community development corporations (CDCs) in 1966 linked housing production with neighborhood revitalization and economic development. CDCs are "indigenous to the distressed communities they serve", mainly low-income (Koebel 1997, 7). In general, CDCs intend to improve the quality of life in low-income neighborhoods by empowering residents through equitable development activities and by stressing resident participation (Stoutland 1999, 200). The comprehensive approach is a result of the belief that "housing is inherently associated with place and space" and therefore housing developers must not only focus on the production of affordable housing but other community developments as well. CDCs fulfill this mission through comprehensive community initiatives, ensuring community control and creating spillover effects that generate positive outcomes that go beyond an activity's primary goal. For example, the creation of a neighborhood safety program not only provides added protection to a neighborhood but also creates social relationships between participating residents that may be beneficial in future activities that need volunteer support or petition signatures.

Since their beginning in the late-1960s, CDC activities have concentrated on affordable housing development and management, and equitable economic development. Economic development focuses on promoting local businesses, providing jobs for neighborhood residents and the development of commercial real estate (Stoutland 1999, 216). Secondary activities include social service delivery, accessing and creating public services and resources, planning community meetings and celebrations, and community advocacy and organizing.

Comprehensive community development seeks to generate sustainable social, economic and physical development. The activities of CDCs vary based on funding sources, resident participation and the success rate of community control (Stoutland 1999, 221). In the past, some CDCs have received criticism for not placing community residents in positions of control in the organization, but this problem is not inherent to all CDCs.

Since the 1980s, federal funding to NHOs has declined significantly. Cutbacks in all federal programs were occurring for several reasons, including a major recession (Bratt 1998, 148). NHOs were forced to seek funding elsewhere. Currently, there is not one source of direct federal funding available for NHOs. They rely on several programs instituted by the federal government such as the HOME program and the Community Development Block Grant (CDBG) program. The HOME program provides block grants to local governments with a required set-aside of 15 percent of the funds for community housing development (O'Connor 1999, 124). The CDBG program also allocates funds to local governments for community-based development under the belief that local governments have a better understanding than the federal government of where the funding is most needed in their community. A major requirement for the use of CDBG is that all activities must benefit low and moderate-income households (Hecht 1994, 92).

The most widely used federal subsidy for the production of affordable housing by NHOs is the Low-Income Housing Tax Credit (LIHTC). Created by the Tax Reform Act of 1986 the LIHTC provides a federal income tax credit for ten years to investors that provide equity capital for the construction of affordable rental housing, either new construction or substantial rehabilitation projects (Rosen and Dienstfrey 1999, 450). The program provides a four percent tax credit for building acquisitions and projects that use other federal subsidies (excluding the Section 8 program) or tax-exempt financing. Alternatively, the program provides a nine percent tax credit for rehabilitation and new construction projects (Hecht 1994, 150 and Guggenheim 1998, 3). The program is highly competitive and the application cumbersome. Therefore, the applications that are accepted receive the full amount that was requested (Koebel 2001), which allows the application process to be expedited quickly.

Once the LIHTC application is approved, the allocated tax credits are then sold to a syndicator who in turn provides the equity capital for the project (Koebel 2001)[4]. Usually, the syndicator is acquired prior to the application process and "helps broker the soundest financial package" (Hecht 1994, 150) and provide assurance concerning the project and the developer's credibility.

---

[4] The current rate of capital is approximately $0.30 to the dollar for the 4 percent program and $0.70 to the dollar for the 9 percent program (Guggenheim 1998, 3).

The use of the LIHTC requires that the project maintain either a minimum of 20 percent occupancy by households with incomes less than 50 percent of the area median income (AMI) or 40 percent occupancy by households with incomes less than 60 percent of the AMI (Guggenheim 1998, 3). Income limitations are adjusted annually to conform to the annual adjustment of the AMI. New residents must meet these income limitations in order for the project to continue to be eligible for the tax credits, but existing residents do not have to comply with the annual changes in the income limitations (Johnson 2001).

The tax credits are distributed over a ten-year period starting the first year after the completion of the project, and the compliance period for occupancy income limitations is 15 years. Any violation of the income limitation during the compliance period can jeopardize eligibility for tax credits for the entirety of the project (Guggenheim 1998, 3). Additionally, the property cannot be sold during the compliance period or the tax credits are forfeited (Johnson 2001).

While the LIHTC program is very popular, the program alone is not sufficient to produce affordable housing for low-income households (Rosen and Dienstfrey 1999, 451). NHOs rely on several sources of funding for a single project as a result of federal, state and local policy changes over the years.

Historic Preservation

Historic preservation constitutes a significant portion of housing and economic development in the United States. Preservation not only protects historic buildings and landmarks but also contributes to community revitalization through the rehabilitation of historic buildings for commercial and residential uses. Through the use of federal historic rehabilitation tax credits (HRTC) and state-sponsored historic tax credits (not all states provide state tax credits), historic preservation has become more feasible over the past two decades, especially for residential purposes. In fact, the HRTC is credited as "one of the most potent urban revitalization tools ever created and certainly the most cost effective" (quoted from Barr 2001, 1).

Congress first allocated federal tax incentives for historic rehabilitation through the Tax Reform Act of 1976, which allowed tax credits for investment in qualified depreciated properties. Since tax credits are also regarded as a way to stimulate the economy they were an appropriate choice of subsidy for the time as the United States faced serious recession (Barr

2001, 8). The Economic Recovery Tax Act of 1981 instituted the Investment Tax Credit (ITC). This was the first time in history that tax incentives were provided for the rehabilitation of older properties (Barr 2001, 10). This legislation set up a three-tiered historic rehabilitation tax credit program. The first tier provided a 15 percent tax credit for the rehabilitation of non-residential income producing properties that were at least 30 years old. The second tier allowed a 20 percent tax credit for the rehabilitation of non-residential income producing properties that were at least 40 years old. The third tier allowed a 25 percent tax credit for the rehabilitation of both residential and non-residential properties applied against investment and wage income (Listokin, Listokin, and Lahr 1998, 446). For example, a $1 million rehabilitation project would be eligible to receive $250,000 in ITC.

The 1986 Tax Reform Act reduced the amount of tax credit allowable for historic rehabilitation. The first and second tiers were reduced from 15 and 20 percent and combined into a 10 percent tax credit for all buildings built before 1939. The third tier was reduced from 25 percent to a 20 percent tax credit.

Properties applying for the 20 percent tax credit must be certified historic structures and placed on the National Register of Historic Places or in a registered historic district and certified as being of historic significance by the Secretary of the Interior before qualifying for the HRTC (Barr 2001, 13). Also, properties applying for the 20 percent tax credit must estimate rehabilitation costs in excess of $5,000 (Listokin, Listokin, and Lahr 1998, 446 and Barr 2001, 13).

The historic certification process enabling eligibility for the 20 percent HRTC begins with the step of certifying the structure as historic and placing it on the National Register of Historic Places through the National Park Service. This process requires sufficient evidence (via historical documents, newspaper articles, etc.) that the building is historically significant. Once the building was placed on the National Register of Historic Places, the rehabilitation plans must be reviewed and approved by the National Park Service (Johnson 2001 and McGhee 2001). The developer must then build everything based on the plans approved by the Park Service. The rehabilitation must be consistent with the historic character of the property and the district (if it is located in an historic district) (Barr 2001, 17). While there is some flexibility in what is allowable, the rehabilitation cannot destroy or damage any element of the structure that defines the historic character (Ceraso 1999, 19 and Barr 2001, 17). Lastly, the Park Service inspects the property after the rehabilitation is complete to verify that the project complied with the approved plans. Once all three of these phases are completed, the property becomes eligible for the HRTC.

As with the LIHTC, the HRTC are distributed in the first year after the completion of the project. There is a five-year compliance period for the HRTC. This means that within the first five years after the project is completed, no substantive alterations can be made to the property. If a developer does decide to alter the building in any way inconsistent with the approved plans, they may loose the tax credit. After five years, alterations to the building are allowed, as long as the property is not located in a designated historic district, then the developer must comply with the regulations for historic districts (Johnson 2001).

Rehabilitation constitutes 10% of all residential construction nationwide, concentrated in regions with older housing stock such as the Northeast (Listokin, Listokin, and Lahr 1998, 440). While the majority of historic rehabilitation is for market-rate consumption, where subsidies are available, rehabilitation can be targeted toward low and moderate-income residential use. In some instances, historic preservation and affordable housing creation do not work well together because some requirements for historic preservation may impede affordability. One way developers use the HRTC to create housing for low-income households is by “piggybacking” the historic rehabilitation subsidy with other subsidies (Listokin, Listokin, and Lahr 1998, 449). The LIHTC is a popular subsidy to “piggyback” with the HRTC. In general, historic preservation can be costly. However, rehabilitation can be as much as one-half as costly as demolition and reconstruction projects (Ceraso 1999, 20). Combining the LIHTC and the HRTC enables the rehabilitation of historic buildings for affordable housing. The LIHTC is used for affordable housing projects that target residents earning about 50 percent the AMI. The HRTC is not specifically for low-income housing production but when affordable housing projects seek to renovate historic buildings the two subsidies can be combined. Since the HRTC program is not as competitive as the LIHTC, 40% of its use is for affordable housing projects (Ceraso 1999, 20).

The rehabilitation of historic buildings into affordable housing has become increasingly popular in the 1990s for for-profit and nonprofit housing developers. From 1993 to 1997, the use of the HRTC for affordable housing projects has increased 23 percent (Ceraso 1999, 18). There is an abundance of vacant historic buildings in urban areas and these buildings are readily obtainable for rehabilitation projects. In addition, historic buildings are well suited for mixed income residents because the architecture and style is attractive to all income levels (Ceraso 1999, 18) in short creating a market for this type of housing.

Summary

Since the federal government initiated legislation to produce housing and provide subsidies for moderate and low-income households the only consistent theme has been the inadequacy of funding. Many of the early programs focused on production, but were too costly over time to maintain. Subsidies shifted to tenant-based, which were less costly because these programs had shorter time limitations and Congress could address the need for the subsidies on a more regular basis.

The shift toward the production of affordable housing using nonprofit housing developers reemphasized the need of federal legislation to address not only the housing structure but also the communities in which they were located. Funding targeted community development projects, projects that would benefit the low-income population and the distribution of funding was put in the hands of local governments. However, affordable housing remained a need and opportunities in low-income communities continued to decline.

Since the Reagan era, funding for affordable housing development has remained low. Nonprofit developers have become the sole producers of affordable housing. They must rely on philanthropic generosity and a variety of funding sources, including the option to comply with stringent historic preservation requirements, to make even small projects a success. Programs, both local and federal, have not always lasted, which requires nonprofit developers to be flexible and have alternate sources. These constraints impact the rate, quality and the level of affordability of the housing that is produced by nonprofit developers. Public policy needs to make it easier to fund affordable housing projects so that these units are affordable for low-income households. The current shortage of affordable housing units attests to the need for better allocation of and easier access to federal and local government funds.

Housing policy literature has also been limited in connecting the need for affordable housing with other phenomena such as gentrification. Literature noted that the costs of housing has “superseded inadequate quality as the primary housing problem of the poor,” which ”reflects the disappearance of low-cost housing caused by disinvestment and selective upgrading”(Murray 1997, 28). Gentrification has not been overlooked but more so glossed over as an inevitable process at work in the urban housing market starting with urban renewal projects in the 1950s. Housing policy literature addresses the production and location of affordable housing as well as evaluates the use of federal subsidies but does not evaluate the fate of affordable housing preservation and low-income households in gentrified neighborhoods. This study aims to better link gentrification and affordable housing policy literature to understand how gentrification affects the provision and preservation of affordable housing in gentrified communities and how the availability of affordable units impacts the low-income population of these communities.

Chapter Four

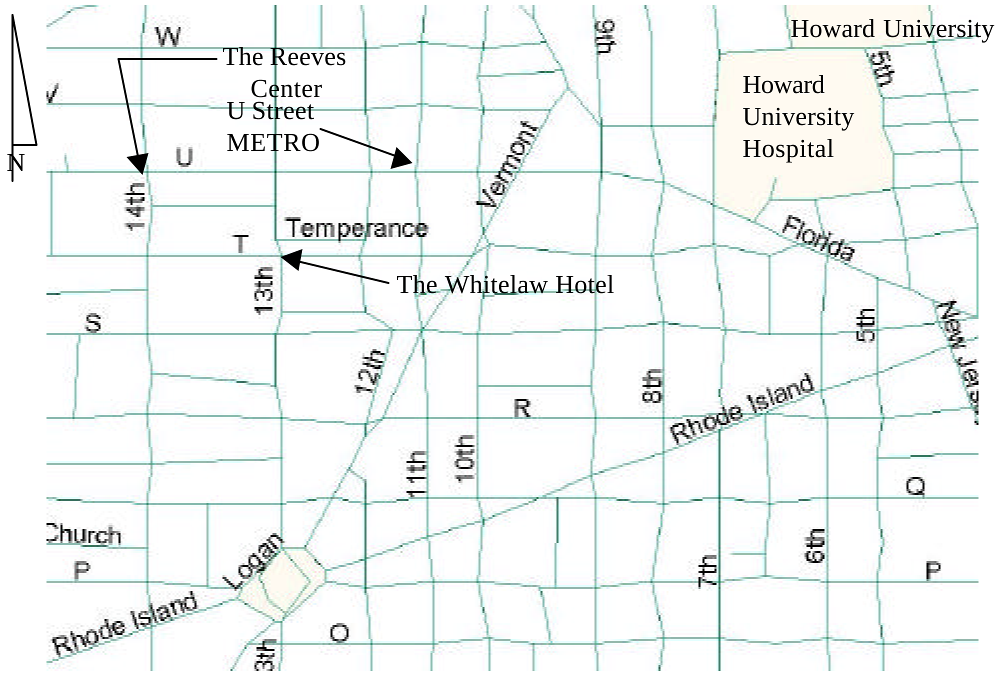
The Uptown Community

The Shaw neighborhood, once known as the Uptown Community, is located in Northwest Washington, D.C (see Map-2). Shaw has experienced the reinvestment, redevelopment and demographic changes that impact housing affordability. The neighborhood was well known nationally for its affluent black community and entertainment venues. The riots of 1968 following the death of Martin Luther King, Jr., caused significant physical and sociological damage to the community and its residents. Land quickly devalued. The middle class moved out and lower income households move in as well as drug dealers, prostitutes and other criminals and constituted the actual and perceived Shaw community. As a child I remember my parents talking about Shaw as the second worst area in Washington, D.C. behind Southeast.

Since the late 1980s, Shaw has become attractive once again to the middle class. Renewed interest, rehabilitation of residential properties and associated demographic changes slowly surfaced but today are widespread. These changes in housing stock and demographics have caused major concern over the longevity of economic diversity and affordable housing in the neighborhood.

Shaw has a rich history. Shaw is considered one of the most significant areas in the country for African-Americans. Washington, D.C. was one of the first cities to abolish slavery before the Civil War. As a result, the District housed a large population of free blacks, who largely resided in the Southeast and Southwest sections (Crew 1996, 213).

Map-2, Street Map of Shaw



Map compiled using 2000 TIGER data

Although free, Washington, D.C. was a segregated city. With no farms for employment in the city, urban blacks engaged in business or were employed by the federal and local government. Shaw has never been considered a white neighborhood; the neighborhood was built by blacks to serve blacks (Cook 1996). Shaw functioned as a separate city that contained thriving black-owned businesses, successful schools that produced students that went on to college or professional careers, and a close-knit community consisting of residents from diverse social, cultural and economic backgrounds. U Street developed into the principal black business area in Washington, D.C. All aspects of community life (churches, newspapers, businesses, civic institutions) were financed, owned, and operated by black residents. In addition, Washington, D.C. was nicknamed the “black capital” because it was the headquarters location for all black organizations at the time and the nation’s leading black university, Howard University, which opened in Shaw in 1867 (Cook 1996).

Shaw was the largest black community in the United States during the first twenty years of the twentieth century and was regarded as “one of the District’s premier black neighborhoods” during the period of segregation (Deane 2001, H01). As early as 1930, African-Americans constituted 27 percent of the District’s total population and by 1960, their presence increased to 71 percent, the majority (Crew 1996, 214). The population of African-Americans remained approximately 70 percent through the 1990 Census. In 2000, the African-American population has decreased significantly to about 57 percent of the total Shaw population. Despite the community's dominant minority population, Shaw has never been considered a ghetto.

The term "ghetto" holds a strong image for most people. In fact, the term can conjure several images, from the Jewish ghettos in East Europe prior to World War II to the Italian and Irish sections of Boston in the early twentieth century and the high poverty, high crime, largely African-American inner-cities of the northern U.S. cities. Some variation exists in the definition of a ghetto among social science researchers. Geographer Harold Rose defines a ghetto as "the territory which is occupied by black people in American cities and which has evolved out of a system of residential allocation permitting no freedom of choice" (Rose 1978, 5). Massey and Denton, sociologists, define a ghetto as "a set of neighborhoods that are exclusively inhabited by members of one group, within which virtually all members of that one group live" (Massey and Denton 1993, 19). They exclude class composition as a determining factor. However, they claim that throughout U.S. history only the urban black population has fit this definition. Lastly, Jargowsky, also a sociologist, defines a ghetto as a "neighborhood that is both predominantly black and also meets the 40 percent poverty threshold" (Jargowsky 1997, 14). He states that neighborhoods that are spatially defined by race or ethnicity are not considered ghettos. Interestingly, in every definition, the urban black population is identified as the group most susceptible to ghetto conditions.

Rose and Massey and Denton single out the black population because the consequences of segregation have resulted in unfair access to housing and public services in urban areas for this group (Rose 1978, 5). Massey and Denton state that the creation of the ghetto is a result of deliberate actions to deny urban blacks fair access to urban housing markets causing spatial segregation, which has been maintained through discriminatory practices (Massey and Denton 1993, 19).

For Jargowsky, it is the economic distress coupled with racial discrimination that perpetuates distressed conditions. In many northern cities, the black population is the majority. The result is economic diversity within majority black neighborhoods (Jargowsky 1997, 14). He argues that the problem is the "changing opportunity structure faced by the minority community and the changing spatial organization of the metropolis" that increases neighborhood poverty and that these changes leave ghetto residents unprepared to adjust (Jargowsky 1997, 210-211).

This paper uses Jargowsky's definition of a ghetto because Washington, D.C. has a longstanding African-American population that has been the majority for over four decades. As a result, there is a greater element of choice involved in the black population's housing decisions. Also as noted earlier, Shaw was the principal center of Washington's African-American community (Crew 1996, 210). Even though the city was segregated, Shaw was clearly an economically diverse neighborhood with a mix of affluent, middle and working class residents. As one long-time citizen of Shaw stated, "We didn't live in ghettos. We lived in separated communities, to be sure. But they weren't worse places to live than where whites lived" (Levey 2001, C07).

In addition to the success of black businesses, civic associations and academics, Shaw was a magnet for black entertainers. During the 1930s-1940s, jazz dominated the entertainment scene in Shaw drawing crowds to local spots like True Reformers Hall and the Howard Theater. Entertainers such as Duke Ellington, a Shaw native, Ella Fitzgerald, and Cab Calloway played the Shaw clubs on a regular basis, staying at the only first-class black hotel in Washington, D.C., the Whitelaw Hotel. Also, the Lincoln Theater, the neighborhood's largest movie house, featured first-run films, a rarity in segregated cities (Crew 1996, 220). Athletics and sporting events became popular not only as recreational options for the youth but also as social gatherings for adults. The Anthony Bowen YMCA, founded in 1853, was the first to provide programs for black youths (Crew 1996, 218). Shaw and its citizens thrived during these years. The social, economic, intellectual and civic institutions were in their prime and African-Americans were well aware of the success they had attained for themselves.

The economic effects of the Depression and integration hit Shaw hard. First-class businesses and residential accommodations shifted to serving the middle class out of financial necessity. In addition, integration increased the competition for black-owned businesses because the black population could now buy goods and find entertainment and lodging accommodations throughout the city. The riots following the death of Martin Luther King, Jr. in 1968 devastated the black communities. For Shaw, the riots, which began on the block of U and 14th Streets, decimated the neighborhood (Cook 1996). Nightclubs, restaurants and stores were indiscriminately looted and torched. After the riots, Shaw experienced a long period of disinvestment, decay, and abandonment. Drugs, prostitution and crime became the predominant activity along major corridors and in private alleys. Few Shaw businesses endured the aftermath of the riots. Crime and drugs moved in as the mainstay in the commercial and residential sections of the neighborhood.

Gentrification in Shaw was influenced by deliberate moves by the District of Columbia government such as the construction of a new municipal building, a crack down on drug dealing and loitering and heavier enforcement of building codes (Gale 1987, 64). The first major reinvestment project in Shaw was undertaken by the local government. The Reeves Municipal Center, an office building on the corner of U and 14th Streets that houses several local government agencies, was constructed in 1986. In 1991, the U Street-Cardoza Metro Station was completed. The Metro provided a transportation artery into and out of the neighborhood. The station made the area more desirable to outsiders thinking of moving into the District as well as residents looking for economic opportunities downtown or in the suburbs. These early signs of reinvestment along U Street were followed by new restaurants, nightclubs and slowly increased retail and commercial activity. Gentrification gradually made its way into Shaw. Investment filtered into residential rehabilitation—in-fill projects as well as new construction.

Shaw Demographics

Reinvestment and redevelopment in Shaw have attracted a new group of people to Shaw in the 1990s. Class status in this majority black city is not always drawn along racial lines and African-Americans constitute many of the gentrifyers. Young, middle to upper class professionals, typically singles or childless couples have found Shaw a community with much more to offer than the suburbs. These changing demographics of Shaw have spawned both acclaim and concern.

The population of Shaw in 1990 was 35,891[5]. As a whole, Shaw showed symptoms of economic stress not as apparent in the rest of the country in 1990. Many residents faced unemployment, noncompetitive salaries and remained vulnerable to the degeneration of rental housing in the community. In 1990 Shaw was a diverse, low-income neighborhood, with a residential profile of over 75 percent minority. As with the District of Columbia as a whole the black population held the majority in 1990 at 70.1 percent of the total population of Shaw. Shaw's poverty rate in 1990, 24.6 percent, was almost double the 1989 national poverty rate of 13.1 percent. Almost one-tenth of the neighborhood's population was unemployed as of 1990 in contrast to the national unemployment rate of 5.6 percent.

---

[5] Census data from www.census.gov and www.shawdc.com

The population of Shaw declined slightly between 1990 and 2000 to 35,666. However, there was a significant shift in the racial makeup of the community. The black population declined to from 70.1 percent to 56.7 percent of the total population, the white population increased by five percent to 27.6 percent of the total population and the Hispanic population increased from approximately four to eight percent to 14.8 percent of the total population[6].

The income and employment variables for the 2000 U.S. Census have not yet been released. The U.S. Census Bureau estimates that these data will be released between March and May 2002 (www.Census.gov). This study regards the rising property values and rents as well as a shift in retail services in the community as a preliminary indication of the change in consumer preferences in the neighborhood.

Changing Consumer Demands

Many residents (mostly long time homeowners) and business owners are pleased with the reinvestment and outside interest in Shaw. New residents bring new retail and commercial needs that generate economic development. These changes have jeopardized the mainstay businesses that serve the existing low-income population. In October 1998, residents and business owners, both long-time and new, resisted the opening of another fast food restaurant in the neighborhood. With nine fast food restaurants already in Shaw, neighborhood activists and then city council candidate for Ward 1, Jim Graham, opposed the new chain because they felt it hurt the restored image of Shaw as a cultural and historical center (Cypress 1998, J01). On the other hand, Graham stated that vacant properties do not produce economic benefits, most importantly jobs, for the community and more needs to be done to rehabilitate these properties.

Residents complained that shopping choices in the neighborhood were few. Also in 1998, in an upper class neighborhood adjacent to Shaw called Logan Circle, residents successfully campaigned in favor of a Fresh Fields/Whole Foods Market, which opened for business in 2000. To follow were expensive antique and furniture stores, new restaurants, and the continued renovation of historic entertainment establishments. This new push for more upscale shopping and entertainment options was a clear sign of the neighborhood changes that accompany gentrification. The owner of Ben's Chili Bowl, a black-owned diner on U Street, welcomes the neighborhood changes. The diner was established in 1958, endured the 1968 riots and urban decay and is now enjoying the benefits of economic revitalization along the U Street

[6] 1990 Census did not include Hispanic as an option for Race so percentage is approximate.

corridor. From a personal and business perspective the owner "hates to see the gentrification, but you want the development" (Fisher 2001, B01). He predicts that Shaw will eventually become majority white and views the changes as part of the "natural ebb and flow of the city". He believes the African-American history will live on in establishments like Ben's Chili Bowl, the old YMCA and True Reformers Hall.

In addition, there is growing concern over the displacement of long time residents that cannot afford rising rents and property values. Housing activists have taken an interest in the redevelopment in Shaw in an effort to protect the interests of existing low-income residents and encourage the preservation of affordable housing. Housing redevelopment in Shaw has been the center of debate among community stakeholders. City officials and new residents support projects targeted toward moderate and middle-income households. The city's most recent housing initiative, unveiled in March 2001, focused on new housing construction targeted towards households earning between $49,680 and $82,800. City officials think that a "strong middle class is essential to stabilizing neighborhoods and strengthening the city's tax base" (Wilgoren 2001, B01). The new middle-income residents support projects like Harrison Square located at 13th and W Streets, townhouses originally priced in the mid-$200,000s but that sold in the mid-$300,000s. The city funded the site preparation, which outraged housing activists and nonprofit developers. Nonprofit housing developer Manna, Inc., stated that "public money used to prepare the site subsidizes the property for wealthy people who don't need help" (Fleishman 2000, F17). Subsidies for low-income residents are becoming scarcer as a result of the booming real estate market.

Affordable housing activists criticize the city for "ignoring the poor" and assert that the recent housing initiative revealed by Mayor Williams does not help residents earning less than $30,000. Activists believe city officials need to be more concerned about the maintenance of affordable housing in order to serve the needs of existing residents. Prior to the city's most recent housing initiative, Mayor Williams pledged to create a $25 million housing trust fund for affordable housing and encouraged mixed market-rate and affordable housing development in Mt. Vernon Square, a area adjacent to Shaw. The goal is to rehabilitate abandoned housing and encourage homeownership. While substantial housing renovation has occurred in Shaw, activists feel that not enough has been done to preserve housing for low-income residents.

Most recently, Councilman Jim Graham introduced legislation that requires housing developers to reserve 10 percent of newly constructed units for very low-income residents if the new development has 20 or more units in order to receive city funds (Wilgoren 2001, B03). This legislation, which is applauded by affordable housing activists and supported by several D.C. council members, would guarantee housing for minimum-wage earners and low-skilled single parents. Graham stated that the bill should include mechanisms for keeping the building and purchasing costs affordable for developers. Developers argued that projects in more expensive downtown neighborhoods would be more difficult to build if a portion of the rents cannot exceed one-third of a low-income resident's income and are pushing for the inclusion of tax incentives. Graham claimed that the basic concern for the city is affordable housing for its existing residents—achieving diversity should be second.

Changes in consumer demands are not always indicative of gentrification. It is clear through research in Washington, D.C. neighborhoods (Gale 1987, 1991) and the trend in public policy concern with the shortage of affordable housing in many neighborhoods that gentrification is occurring throughout the District of Columbia and specifically in Shaw. Newspaper articles document the changes in retail and entertainment trends, the rise in housing prices and the vulnerability of lower income households to eviction and real estate speculation.

The 2000 Census reflects a significant change in the racial composition of Shaw but again this trend does not verify the presence of gentrification. Literature that uses Census data focuses on a wider range of variables such as income, poverty level, occupation of head of household and housing values. While not a quantitative measure, community residents are better able to assess the degree of change in their neighborhood because they are exposed to the impacts of the changes. The community's perception of the pervasiveness of gentrification does not disclose the exact rate of change or the magnitude of influence gentrification has had on the neighborhood. Community perceptions provide insight into how residents are affected by the changes and their response to these changes, which qualitatively elaborates the degree of change and impact on the community.

Chapter Five

Methodology

The research strategy undertaken is in the form of an explanatory case study. The purpose of case studies is to explain "complex social phenomena" (Yin 1989, 14). Explanatory "case studies are the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context" (Yin 1989, 13). The case study of the Whitelaw Hotel renovation fits these criteria. Although the main research question asks whether there is a place for low-income residents in their community after gentrification, the sub-questions used to focus the research examine how a place is provided and to what extent is the preservation of a place for these residents possible in gentrified neighborhoods.

The context of this study includes both historic and current events. The study period includes an historical account of the Whitelaw Hotel to establish the cultural significance of the building to the community. Also, the renovation is considered an historical event since it occurred between 1991-1992. The current events include the recreation of the renovation by project participants and the community's reaction to the outcome, the perceived impact the project had on the neighborhood and of gentrification's impact on the neighborhood.

Data Collection

One benefit of a case study is using of a variety of sources, such as public documents, newspapers, interviews and observation (Yin 1989, 20) to document the story. Personal interviews permitted the acquisition of unpublished information and undocumented data. Interviews described events, told stories, and provided historical context.

The main research method used was personal interviews. There were two reasons for using this method. The first was that interviews are the best means for obtaining factual information about events when no other form of documentation exists. The historic significance of the Whitelaw Hotel had been documented, as evidenced in the application for historic preservation, through multiple newspaper articles, architecture and history books, and historical documents such as the original building permit. In contrast, the renovation process was only briefly documented and preserved on video by Manna, Inc. in 1998. The details of the project and the response of the community were not documented.

Second, personal interviews were the most direct means of understanding the experiences of people involved in the renovation project and the associated community. The purpose of interviewing was to understand “the experience of other people and the meaning they make of that experience” (Seidman 1991, 3). The responses of the project participants were important for understanding their role in the project and their perceptions of the project’s significance to the community and to the preservation of affordable housing, which enables low-income residents to remain in the neighborhood.

This study used open-ended interviews. Open-ended interviews generally do not utilize a standard set of questions for all participants (Berg 1998, 60). Open-ended interviews are utilized when the interviewer does not know in advance all the necessary questions and adapts the questions according to the interviewees’ responses and uses probes to inquire further about certain issues.

The study obtained approval and support to proceed and access to information from the nonprofit housing developer, Manna, Inc., in a meeting with the Executive Director of Manna Community Development Corporation (Dominic Moulden), a subsidiary of Manna, Inc., on June 6, 2001. The Director also granted permission to interview employees of Manna, Inc. and Manna CDC that were involved in the Whitelaw renovation and the Shaw neighborhood. In addition to permission, the Director provided me with a list of contacts both project participants and community residents (some during the renovation and some current residents). He clarified that he was not certain whether any of these people would grant me an interview or whether they could provide the information I sought but knew that they were either involved in the project or reacted to project verbally or through action.

The researcher selected interview participants using the snowball sample method. The snowball method is a way to select interview participants based on the input of previously identified participants. Typically, a snowball sample starts with one known participant who is asked to identify other persons that participated in the event who are beneficial contributors to the study (Babbie 1983). This method was chosen for participant selection because the background sources available for identifying interview participants were limited and generally identified the involvement of persons in the renovation and community activism consistent with the list provided by Manna CDC. Snowballing provided a means to prioritize this list, narrow the list and, when necessary, add persons recommended by other participants to include in the study.

The videocassette “Whitelaw Hotel…A Legacy Restored”, provided by Manna CDC assisted the selection of participants to start the snowball sample. The video introduced two people that were on the CDC Director’s list of contacts: the Founder of Manna, Inc. and Director of the Whitelaw renovation, and a current resident of the Whitelaw that is the tenant association president of the building. I began the data collection with the interviews of project participants because I wanted to obtain as much information as possible about the renovation and the community’s appeal and concerns about the project before I met with the community residents.

Reliability. A guideline for case studies is to “conduct the research so that an auditor can repeat the procedures and arrive at the same results” (Yin 1989, 45). This helps to minimize the errors and biases in the study. One way for doing this is to provide the details of the research design so that it can be replicated in the future to compare the findings. While there is no guarantee that a future researcher will obtain the same set of interview participants, the list of participants (Appendix A) and questions (Appendix B) as well as the reason for selecting the participants is available for replication.

Validity. “A case study involves an inference every time an event cannot be directly observed” (Yin 1989, 43). Researchers infer based on the collected data, either interviews or other documented sources. The telling and retelling of events is vulnerable to the attitude and experiences of each participant and responses may reflect changing perceptions of the events over time.

The Whitelaw renovation has been completed for nine years. This fact created some concern over the validity of the interview responses. However, the responses concerning the renovation, the community’s appeal and the community’s concern over the building’s renovated use were documented in two area newspapers during the time of renovation. These newspaper articles served as a validity check for the interview responses describing the events of the renovation. Also, the events described by the interview participants are similar. I verified responses that were made by one project participant with other interview participants through follow-up phone or email interviews.

Interviews. For this study, interviews were conducted with two groups of participants. The main distinction between the two groups was that the first group consisted of participants in the renovation project. Participants included employees of the nonprofit organization and affiliates who were involved in the actual renovation of the hotel and interacted with community residents as organizers and overseers of the project. Within Manna, Inc., the Co-Director of the project, the Project Manager, the Director of Project Development, and the Director of Property Management were interviewed. Affiliates included the architect and the Director of Special Projects with the District of Columbia government. The Community Organizer of Manna CDC was also interviewed because Whitelaw is located in the neighborhood where the CDC operates. Not all of participants in the first group lived in the neighborhood. These participants were also asked to respond to questions relating to the impact of the project and gentrification in general on the community, since they worked in the neighborhood and interact with the community on a regular basis.

The second group of interview participants consisted of neighborhood residents that reacted and responded to the redevelopment project and to the community changes generated by the project. This group included current and former residents of the Whitelaw and neighboring homeowners. I sought to contact people that voiced their opinions about the project either during or after the renovation. The purpose of interviewing this group of participants was to obtain the general community response, which can be provided by anyone living in the community regardless of the participant selection process or whether they were public figures in the community.

The interview questions were separated into different categories (see Appendix B for the full list of interview questions). The first set of questions was specific to the role of the participant in the renovation. For instance, the set of questions for the Project Manager concentrated on the project financing such as the sources of equity, the loan agreements and compliance periods. This category of questions was only given to the first group of participants.

The questions included a wide array of topics to completely cover the process of renovation. Issues of importance in the beginning phase included how Manna became interested and involved in the Whitelaw renovation, whether there were preliminary concerns in regard to historic preservation or building acquisition, and the process of historic certification both with the federal and local authorities. These questions exposed initial obstacles that may have altered the outcome of the project or possibly inhibited the continuance of the project. It was important to know whether Manna faced these constraints and how the organization dealt with them.

Another group of questions focused on the time period for the completion of each phase of the project. These questions also helped identify other persons that should be interviewed in order to obtain more detail on certain issues.

The financial details of the project were extremely important because funding is the key component to the completion and subsequent success of all housing developments. Without appropriate funding and subsidies to produce affordable housing, projects like the Whitelaw Hotel renovation were inconceivable. Who invested in the project, how were these individuals or groups located, what types of federal and local subsidies were used, and what were the requirements for using these subsidies?

Also important was the involvement of other community actors in the project (i.e. the city government, neighborhood associations and private financial institutions). The role of these actors and the impact of their involvement on the outcome were pertinent information about the project. From newspaper articles, I knew that the property acquisition was through a local government program. Questions for the participant from the District of Columbia government focused on the details of this program. These issues revealed the level of trust between actors in the affordable housing sector, the degree of reliance by nonprofit housing developers on outside actors for the completion of a project and how this reliance may lead to shifts in the project's outcome.

Resident selection and property management were significant to the operational success of the building. It was significant to know the criteria for resident selection and the rate of resident turnover. Similarly, questions addressed the responsibilities of the property management company and their relationship with the residents and Manna. These topics provided insight on the success of the project in relation to the daily operation and resident satisfaction.

The last group of questions pertaining to the renovation process focused on the tensions that evolved during the span of the project. What were the tensions and conflicts between opponents and proponents of the Whitelaw Hotel renovation? The purpose of asking the first group of participants about the tensions in the community over the project was to extract information that the researcher could use to formulate questions to address the controversial issues in interviews with the second group.

A second set of questions concerning the renovation was asked to all the participants. These questions inquired about the condition of the Whitelaw prior to the renovation, the historic significance of the building, and the community concerns about the intention to convert the hotel into affordable housing. Also, this group of participants was asked about Manna's general development practices.

A third category of questions, also asked of all participants, was more speculative. These questions sought the opinions of the participants concerning the outcome of the project and general questions about the perceived impact of gentrification on the neighborhood and the state of affordable housing. Participants were asked if they were pleased with the outcome of the renovation and whether they felt that the project successfully created affordable housing for the neighborhood. Some questions focused on the participants' perception of the changes in Shaw as a result of gentrification.

The perceptions of participants in the first group were important because they were involved in projects that altered the housing stock of Shaw, which potentially had an impact on other physical conditions of the neighborhood as well as the demographic composition of the area. These responses were used by the researcher to address broader issues about gentrification and sustainable affordable housing. These responses revealed the community's understanding of gentrification's impact on Shaw and the associated advantages and disadvantages for the neighborhood.

The speculative questions were the main focus of the interviews with the second group since they are community residents and have the most insight on what impacts their neighborhood. These questions elucidated whether the community perceives that the Whitelaw contributed to the changes and whether affordable housing is sustainable in the gentrified community of Shaw. The purpose of these interviews was to obtain information about the community's perceptions of the completed Whitelaw project and redevelopment in general in their community. The goal was to address the issue of community perceptions concerning quality affordable housing and whether they felt they are stakeholders in the process of affordable housing preservation.

The last set of questions were directed to the second group and focused on obtaining information about the participant's length of residence in Shaw and reasons for choosing to live in Shaw. Questions also addressed their first impressions of the project and current assessment of the project and the residents of the Whitelaw. Residents of the Whitelaw building were asked questions specific to their tenure such as their opinions about the management company and Manna, Inc., what they thought about the building's maintenance and what they would like to see improved. If pertinent, residents were asked the reasons for moving out of the Whitelaw. Similarly, questions specific to the neighboring homeowners included their level of satisfaction with the upkeep of the building and interaction with residents, the management company and Manna. These questions provided more information about the community residents and opinions about the Whitelaw building after the renovation.

Overall, the participants of the first group were open about their ability to answer questions pertaining to the renovation process. When questions drifted outside the participant's area of involvement, they recommended other participants in the renovation for whom the question would be more appropriate. Additionally, since the project was completed nine years ago, some participants had difficulty recalling certain information. In these instances, they recommended that their answers be verified with other people involved in the project.

The interviews with the second group also went well. There was more difficulty in contacting these participants since they were not affiliated with Manna, Inc. and not all potential contacts successfully led to interviews. I felt that participants in the second group were willing to try to answer all the questions even if they were not certain of the answer. Generally, they disclosed that they were not certain about the answer but still provided input, whereas the first group avoided answering questions in which they were not certain of the answer.

Researcher Disclosure

Being a graduate student allows some flexibility in personal presentation during the interview process. Graduate students are not only students but are also viewed as aspiring professionals. Both roles are needed for this study. I have attained certain skills through previous work experience and recent academic opportunities that allow me to relate to the participants as a professional. As a student, I am able to reinforce that I am doing this project to learn about the renovation of this historical building and the state of affordable housing in Shaw.

The role of the interviewer is not only determined by the presentation of that person but also by the expectation of the interview participants (Berg 1998, 75). It is impossible to definitively determine whether race, gender, class or sexual orientation affected the results of the interviews. I am a young, white female. Based on this fact, interview participants may be influenced by stereotypes or form opinions about the motives of the study based on other white females with whom they have contact.

Also, language has an effect on the outcome of the interviews. Cultural language barriers as a result of the level of education or geographic differences can exist in any interaction. As an educated, middle class, white female, I speak in a specific manner that may be different from an educated, middle class, black female or a member of the working class (Berg 1998, 68).

In general, I felt that the interview participants did not react to me on the basis of preconceived stereotypes. The majority of the participants were enthusiastic about the research project and cooperative during the interview session. Many interview participants suggested books that they thought would benefit my research. Only one interview participant exhibited slight hesitance with some of the questions. While the reason for this behavior is not clear, I felt that it may have been related to differences in age and race. However, I did not think this participant’s attitude had a significant impact on the interview session.

Data Analysis

The focus of analysis for the renovation responses was the creation of a complete story, where all the parts of the process were documented. The goal of a comprehensive story influenced the selection and number of interview participants. The key themes of the renovation process were identified prior to the interviews with help from newspaper articles that covered the renovation as well as pertinent literature.

The data analysis started by transcribing each interview immediately upon return from trips to the neighborhood and each interview session. I arranged my interviews to complete the first group before starting the interviews with second group. Therefore, I was able to analyze responses concerning the renovation process before completing interviews with the second group. Once the interviews with the second group were completed, I began to analyze all the responses based on several criteria.

The recreation of the renovation focused on each participant's view of the important events. For example, while the director of the project answered questions pertinent to several phases of the renovation, many of his answers reiterated the tension over the zoning change that almost prevented the completion of the project. Also, some events were addressed only by the project participant that was involved in that phase. For example, the project architect was the sole respondent of information concerning the historic preservation phase and the delineation between the restored and renovated areas. His responses were supplemented with newspaper articles and the documents in the application for historic preservation submitted to the local government.

The analysis of the project participants' and community residents' perceptions of the impact of the Whitelaw renovation, the use as affordable housing and the impact of gentrification in Shaw was not as easy to recount as the documentation of the renovation. The key questions I used to analyze the impacts were:

- What does the Whitelaw Hotel mean to the respondent?
- How did the respondent view the completed project?
- How does the respondent think that the completed project has impacted the neighborhood?

The main theme that emerged was the success of the project in creating an asset out of a building that had a significant negative impact on the neighborhood. Respondents saw the Whitelaw as a success in many contexts (historic preservation, provision of housing, promoting economic diversity, community building and even community healing). Other themes were the concern over the sustainability of the building as affordable when the tax credits expire and the designation of the building as affordable. The issue of affordability was raised only by the participants that lived in the Whitelaw. I found the absence of this concern by the remainder of participants an interesting dichotomy, one worth identifying and investigating further.

The issues of sustainability and affordability of the Whitelaw building were adequate segues into the impact of gentrification on the Shaw neighborhood.   Key questions used to analyze the responses on gentrification included:

- Did the respondent feel that gentrification is an issue in Shaw?

- How does the respondent think that gentrification has impacted Shaw?

These questions revealed one major theme. While all interview respondents were unanimous that gentrification was extensive in Shaw, there was no consensus on how gentrification impacted Shaw. The analysis focused on the differences in the responses explaining the perceived impact of gentrification. The impacts identified were:

- The impact was beneficial for the community,
- The impact was bad for the community,
- The impact was both good and bad.

Lastly, one interesting finding focused on which respondents were classifying gentrification as good, bad or both. According to the literature, gentrification typically benefits the new, higher income residents and threatens the lower income households. However, some of the responses did not reflect this assertion and so I spent time explaining a possible reason for the shift in ideology.

Generalizations. Case studies are frequently criticized as "unrepresentative of other developments and do not present an accurate reflection of the norm" (Koebel 1998, 221). Case studies cannot be used to draw definitive conclusions about events; rather they are useful to make generalizations about and analyze theory (Yin 1989, 21). This study has several components that make it distinctive such as the historical significance of the building, and the prior commitment of the nonprofit housing developer to the Shaw community. Components that are more general about this study are the combining of historic preservation and affordable housing production (Ceraso 1999, 20) and the involvement of a nonprofit developer in the production of affordable housing units (Koebel 1998). Many qualities of communities are unique but this study highlights issues of housing provision that affect gentrified communities in an effort to advance research on the impacts of gentrification on low-income communities and to link housing policy literature and gentrification literature as it relates to low-income communities.

Chapter Six

Before: The History of the Whitelaw Hotel

Figure-1, The Whitelaw Hotel prior to renovation, 1979.
Washington Post, 02 January 1992.

The historic significance of the Whitelaw Hotel created a strong desire for preservation yet the derelict condition of the building for decades posed substantial risk to potential lenders. The following chapter highlights the history of the Whitelaw Hotel, stressing the reasons for its significance to the Shaw community and exposing the risks that made lenders cautious to invest in the renovation.

With the success of the Shaw community and its position as the “black capital”, there was a need for first-class living and lodging accommodations for the black population. John Whitelaw Lewis, an influential businessman, first recognized this need and in 1919 built the Whitelaw Hotel and apartments on the corner of T and 13th Streets (1839 13th Street, NW). The Whitelaw Apartment Company financed the construction by selling shares to affluent blacks wanting to live in first-class apartments (Nelson 2000). The construction cost $158,000 and was developed, financed, designed and constructed by black men (application for the Historic

Preservation Review Board provided by the project's architect). The building, designed in the Italian Renaissance style, consisted of 25 one-bedroom apartments and 22 hotel rooms, a ballroom, restaurant, nightclub and all the same amenities as hotels in white neighborhoods (Cook 1996).

The Whitelaw Hotel was a symbol of success and prestige to the African-American community of Shaw. Prominent African-Americans, entertainers, politicians, lawyers and civil rights leaders lodged at the Whitelaw Hotel when visiting the District. Permanent residents of the apartments were proud to live in Whitelaw and in every way lived lives of affluence paralleled in the city's white neighborhoods. In fact, a local newspaper, The Washington Star, felt it necessary to publish that the new hotel was for "Colored People" for fear that white residents would be misled by the elaborate architecture and furnishings. The Whitelaw was identified as one of the District's "distinguished apartment houses" in James Goode's portfolio, Best Addresses (1988).

The Whitelaw Hotel continued to serve affluent residents and visitors until the Depression in the 1930s. In the late-1930s the Whitelaw Apartment Company sold the hotel to Tally Holmes, Sr. (Nelson 2000). The hotel continued operation. However, the new owner targeted a larger group of middle class residents and visitors. During the 1940s-1950s, Tally Holmes, Sr. tried to elevate the Whitelaw once again to its prominence before the Depression. However, integration in the late-1950s gave the black population access to hotels throughout the city. The Whitelaw was no longer exclusively for the black population. By the 1960s, the Whitelaw Hotel was hurting financially and was showing signs of wear. Recognizing the greater success of the hotel rooms over apartments, the owner converted the apartment units into hotel rooms (Nelson 2000).

In 1968, Martin Luther King, Jr. was assassinated. This devastating event triggered a plague of riots through several cities in the U.S. The riots of 1968 completely debilitated the Shaw community. While the Whitelaw Hotel was not damaged physically during the four days of burning and looting, the riots choked out all economic and social viability in the Shaw community and the Whitelaw Hotel. Drugs, prostitution and crime became the mainstay of the Whitelaw Hotel after the riots and on into the 1970s-1980s. People came to the Whitelaw to buy and use drugs and engage in prostitution. District of Columbia Police stated that they could walk through the hotel's lobby at "any hour of the day or night and make an arrest" (Whitaker 1977, A01). The Whitelaw became known throughout the city by several nicknames such as the "best whorehouse in town" (Nelson 2000) and the "city's busiest 'shooting gallery'" (Whitaker 1977, A01).

In 1977, the city closed the building, citing 351 building code violations (Simpson 1986, J01). Although the building was condemned, it continued to serve as lodging for drug dealers and users and city transients. In December 1981, a fire broke out in the building that destroyed the roof and made the building unsafe as overnight shelter for the homeless.

The property changed owners several times between 1977 and before its restoration in 1992. Changing ownership was accompanied by multiple unsuccessful plans for renovation, restoration and use. Several for-profit developers had a contract on the property but they could not secure the financing for the property's renovation largely because lenders had many doubts about the success of the proposed projects (Dickerson 2001). Some developers even thought about tearing down the Whitelaw Hotel and starting all over. Around 1990, a for-profit developer collaborated with architect Ronnie McGhee to try to find the financing needed to rehabilitate the Whitelaw (McGhee 2001). After a failed attempt, a potential lender recommended that they partner with a nonprofit housing developer to make use of the low-income housing tax credits. Manna, Inc., based in Shaw, was asked to partner with them in the project.

Manna, Inc.

The nonprofit housing developer in charge of the Whitelaw Hotel renovation was Manna, Inc. originally located in the Shaw neighborhood (the organization is currently located in the nearby Brookland neighborhood). Manna, Inc., founded in 1982 by Jim Dickerson, the pastor of New Community Church in Shaw, is the District's leading nonprofit housing developer (Lelen 1997, E01).

The organization produces affordable housing throughout the city using their own staff of architects, engineers and contractors. Projects are divided between rehabilitating existing properties and new construction. Rehabilitation is popular in Washington, D.C. because undeveloped land is scarce.

The mission of Manna, Inc. is to "empower individuals, strengthen families, collaborate with stakeholders to rebuild neighborhoods, and foster sustainable communities in Washington, D.C. by creating quality affordable housing for lower income families, by offering support and training to families both before and after they purchase their homes, and by engaging in community and economic development activities" (Manna Annual Report 1998). Specifically, Manna's main goal is homeownership for low-income families and community building. Homeownership creates stakeholders. The organization believes that homeowners view themselves as community stakeholders more so than renters since homeowners have a financial tie to their community. Creating stakeholders from existing residents is "a way for the community to fix itself" states Dickerson (Lelen 1997, E01). Homeowners, he believes, are more concerned about what is happening to their property and feel more inclined to get involved in community revitalization.

Since 1982, Manna has concentrated on housing units for homeownership. The Whitelaw Hotel renovation, completed in November 1992, was the first and only project completed by the organization for rental use. The main reason for this change was because the property was considered high risk for lenders and the only feasible way to obtain the funding was through the use of the low-income housing tax credit. This tax credit stipulated the building's use as low-income rental units with a compliance period of 15 years. Manna undertook the project because of strong urging from the community and decided that after the compliance period the property could be converted to homeownership to conform to their mission.

The organization believes that the production of affordable housing does not always guarantee the creation of homeowners. To make their goal successful, Manna institutes other programs to aid in homeownership and community reinvestment. The most successful program is the *Homebuyers Club*. The Homebuyers Club is the second phase of the *Individual Development Accounts Program (IDA).* IDA prepares low-income families for future home purchases through economic literacy training, counseling and support in setting and reaching financial goals (Manna Annual Report 1998). The program helps families with poor or no credit and low-incomes save a portion of their monthly income, which Manna matches after a designated period of time to go toward a house down payment. The Homebuyers Club provides information and counseling on homeownership issues and prepares people for buying a home. In 1999, IDA educated 30 persons and graduated 25 of them to the Homebuyers Club (Manna Annual Report 1999, 11).

Manna, Inc. has also established a community orientation program as part of its services to homeowners. The program familiarizes Manna homebuyers with the new neighborhoods in which they live and the new responsibilities of homeownership (Manna Annual Report 1998, 12). The program addresses community issues such as the importance of voting, the location of police and fire stations, public safety, and neighborhood civic organizations.

In 1997, Manna Community Development Corporation (CDC), a subsidiary of Manna, Inc., was established to organize and initiate economic and social development in Manna's "home base" of the Shaw neighborhood. The mission of Manna CDC is to "actively engage in collaborating with Shaw residents, business owners and other stakeholders to maximize the community's assets by creating a continuum of resources and opportunities to create a self-sustaining community" (Manna CDC brochure printed January 2000). They believe that residents are the most informed about the needs of their neighborhood and that the community should not only participate but have control over development activities. Manna CDC "works with residents, business owners and other stakeholders to maximize the community's assets" (Manna, Inc. 1998 Annual Report for, 12). The CDC seeks to accomplish their goal through engaging in programs that increase job opportunities, entrpreneurship and homeownership and also promote youth development and education.

All nonprofit housing developers operate based on mission statements unique to the organization's philosophy or dedicated to a specified geographic location. Manna, Inc.'s mission requires them to provide more to communities than just housing units. In 1997, they completed their 500th house (Lelen 1997, E01) and annually complete an average of 50 houses (Area homeowner 2001). They have instituted several educational programs to teach potential homebuyers about the home buying process and acquaint new owners with the responsibilities of being a community stakeholder. Again, these programs are in accord with their mission to foster sustainable communities and create quality affordable housing for lower income families.

Literature on nonprofit housing developers identifies "a misunderstanding of the role of nonprofit housing" as the fundamental crisis, above funding allocation and organizational management, facing the sector (Koebel 1998, 255). Nonprofit developers straddle the line between government partnership in the provision of social services and "market discipline" seen in increased competition between the nonprofit and for-profit sectors, which creates confusion over their role in the production of housing and jeopardizes the sector's focus on serving at-risk groups in society (Koebel 1998, 257). Manna, Inc. is susceptible to these problems that face the entire sector. As literature has made clear, nonprofit housing developers must rely on several funding sources and programs to projects. It is necessary to find funding from philanthropic and government sources without compromising the goal of the project. With the exception of the Whitelaw Hotel renovation, Manna has remained dedicated to their mission of homeownership. Similarly, their educational programs have aided in the success of their mission. Between 1982 and 1997, just two houses produced by Manna were foreclosed and only four were sold (Lelen 1997, E01). There is no clear evidence that Manna's work is solely directed toward attaining government funding or competing with for-profit developers for projects. As asserted by current and former employees, the local newspaper and the organization's Annual Reports for 1998 and 1999, Manna's performance is based on the achievement of their mission statement.

Chapter Seven

After: The renovation process

Figure-2, The renovated Whitelaw Hotel.
Courtesy of Ronnie McGhee

"Over the years the Whitelaw has reflected the history of the neighborhood around it. Prosperous when the community was prosperous, lower prices in times of economic disaster. New signs of prosperity are emerging in the community now, and the Whitelaw could once again mirror them." (Whitaker 1977, A01)

The following chapter is the recreation of the Whitelaw Hotel renovation based on the interview responses, newspaper articles, the application for historic status, and other secondary sources. The interviews with project participants account for a significant amount of information that has not before been documented. The recreation of the renovation process and the developer's interaction with the community is told through the eyes of the project participants.

The renovation of the Whitelaw Hotel into affordable apartments for low-income households was an extremely complex project in every aspect for the nonprofit developer. Even though Manna, Inc. was regarded as the most experienced and successful nonprofit housing developer in the District of Columbia, they had never undertaken a project of this magnitude (Dickerson 2001). The Whitelaw was the first rental project for the developer, which was accompanied by a completely different set of financial issues than their more familiar homeownership projects. Also, it was a high profile project as a result of the building's historic significance and years of decay and derelict occupation, all of which were new obstacles for the nonprofit developer. The co-founder of Manna made it clear that the project was very difficult to complete. He stated that the project was "never smooth sailing. One of these projects would take care of most people's desire to do this work. It is not easy. It takes a lot of energy" (Dickerson 2001). However, Manna was committed to sustainable development in the community.

The renovation of the Whitelaw was important to the community. Not only did they recognize the strain this property put on the neighborhood, they knew the building had historical significance that should be preserved. "In 1989, [area homeowners] wanted any kind of development they could get in Shaw" (Area homeowner 2001). The community approached the nonprofit developer and expressed a desire to see something done with the Whitelaw Hotel because it was a huge drain sitting there—vacant, boarded up, dilapidated, with trees growing out of the roof (Dickerson 2001). The community implored the nonprofit developer to do whatever it took to resuscitate the property.

Recognizing the historical significance of the property, the need for affordable housing and economic development in the community, and the commitment the nonprofit organization had made to this community since its beginning in 1982, Manna decided to get involved in the renovation of the Whitelaw Hotel. The co-founder of Manna and director of the project stated that their involvement meant the renovation of the building into affordable housing for moderate to low-income residents since that is the purpose of their organization (Dickerson 2001). At that point, the larger community was agreeable to this proposed use of the building.

Initially, a for-profit housing developer had a contract on the building. When Manna got involved at the community's request the project team encountered difficulty financing the project. Thirty lenders refused to finance the project (Dickerson 2001). In the end, Manna was able to secure adequate financing through government programs available to nonprofit developers. As a result, they had to buy out the original for-profit developer in order to move forward with the renovation (Dickerson 2001 and McGhee 2001).

The public perception of the Whitelaw Hotel prior to the renovation was uniform—the Whitelaw was a blight and had a negative impact on the community. The building was vacant and derelict and clearly unsafe for any use. It was not boarded up well (a requirement of the D.C. government for condemned properties) and as a result the building was a "haven for drug addicts" (Simpson 2001). The government contact/advocate for the Whitelaw project was the Special Projects Manager for the D.C. Department of Housing and Community Development. Regarding the pre-renovation condition of the building, he stated that he "always envisioned the Whitelaw as being a building that I would watch sort of crumble very slowly and wither" (Reeves 2001). Despite its use by drug addicts and dealers, very little could be done because the property owner complied with the D.C. government's requirements for condemned buildings and the property taxes were paid (Reeves 2001).

Historic Preservation Land Marking

The use of historic rehabilitation tax credits required the historic certification of the building and its placement on the National Register of Historic Places through the National Park Service. The application process for historic status, both through the District of Columbia government and the National Park Service, was pursued by the project's architect. The Whitelaw Hotel was one of the first properties of significance to the black community to apply for historic landmark status and placement on the National Register of Historic Places (McGhee 2001). In general, one of the main hindrances to the certification of historic buildings in these communities was that black history in Washington, D.C. was loosely documented. Many historic African-American newspapers that reported the events in black communities during the early part of the twentieth century are no longer in existence.

The architect's documentation of the building's historic significance, culturally and architecturally, was extensive. The application to the District of Columbia Historic Preservation Review Board included newspaper articles documenting the financing and construction of the building, reporting on the social events occurring in the hotel's ballroom and biographical pieces on the original owner/developer John Whitelaw Lewis and the original architect Isaiah Hatton. The application summarized the Whitelaw's importance to the black community as follows:

"The apartment furnished housing, the hotel supplied accommodations, and the ballroom and grotto provided a dignified and gracious setting for the social expression of an excluded race" (Ross 1992, T08).

Excerpts from two published books, The Housing of Negroes in Washington, D.C., published in 1929 and Best Addresses, published in 1988, which described the Whitelaw Hotel's elegance and cultural significance in the early twentieth century, were included. Pictures that highlighted the original interior and exterior features, such as the stained glass ceiling and cornices, were also attached. In retrospect, the architect postulated that the historic significance of the building was probably overly documented and had the same application been submitted today it would be granted quick approval (McGhee 2001). Today, the neighborhood in which the Whitelaw is located is designated a historic district by the D.C. government, which makes it easier for buildings within the district to obtain approval. Buildings such as the Whitelaw Hotel that already obtained historic status hastened the historic district designation.

The application to gain historic status for the Whitelaw building requested landmark status for only the exterior of the building. The interior of historic buildings is typically not approved for historic landmark status because they change much more over time than the exterior (McGhee 2001). The application stated that the Whitelaw Hotel's period of historic significance was from 1919 to the late-1930s. This period was in conjunction with the prime of the U Street corridor, which was the center of the black community and of historic cultural significance from the 1920s to the 1940s (McGhee 2001). The architectural style of the building was labeled in the application as "Neo-Classical with Palladian influences" and the interior featured "exquisite Neo-Georgian woodwork." At the time of the application process, many of the distinguishing interior features, woodwork and wall decorations had been severely damaged from vandalism, fire damage and exposure and in great need of preservation.

The Financing

In 1991, the District of Columbia government, serving as a third party purchased the property for $675,000 through the *Land Acquisition for Housing Development Opportunities (LAHDO)*, a local financial tool for the acquisition of commercial real estate for the creation of multi-family rental housing (Reeves 2001). The tool was enacted in an effort to increase the supply of affordable housing to low and very low-income residents, which the government views as the biggest benefit of the program. Under the LAHDO program, the D.C. government made approximately $125,000 in site improvements and then leased the property to Manna for a period of 50 years at the annual rate of approximately 4 percent of the invested amount. In return, the government required the nonprofit developer to set aside nine units (25 percent) for families earning 50 percent or less of the area median income (Hecht 1994, 223). The government required set-aside of nine units did not imply that the government provided a rent subsidy for the residents of these units. When the Whitelaw first reopened after the renovation, the D.C. government did provide a rental subsidy similar to the federal Section 8 program called the *Tenant Assistant Program* to six residents (Powell 1998, F01). However, that subsidy has since expired and was not renewed (Reeves 2001).

Once the property was secured, Manna financed the project using several sources. Manna obtained two conventional loans through Signet Bank and Metropolitan Life. Combined, these loans provided $1.3 million of funding for the Whitelaw renovation project (see Table-1) (Hecht 1994, 222). As is typical with conventional loans, the lenders financed a percentage of the value of the property using the *loan to value ratio*, usually between 75-80% of the property's value (Johnson 2001). For example, if the subject property is valued at $800,000 and the lender decides to finance 80% then the loan amount would be $640,000. The project developer then looks for other forms of financing to cover the rest of the costs. Once the amount of loan(s) has been determined, the lender negotiates how the funds are to be used (Johnson 2001). For example, a lender may decide only to pay for "hard construction" costs, which consist of the actual renovation costs and not cover "soft" costs, which generally includes architect and engineer fees and recording fees.

TABLE-1 SOURCES AND USES STATEMENT, MANNA, INC.
Project Developments Costs & Financing, Revised 08/28/92

Costs		Development Budget	Per Unit (35 Units)	Non-Depreciable	Depreciable Basis Residential	Depreciable Basis Non-Residential	Amortized	Expensed
Acquisition- Land								
- Building		$ 10,000	$ 286		$ 10,000			
Site Improvements								
Basic Construction/ Bond Premium		2,264,000	64,688		2,264,000			
Construction Contingency	10.50%	240,000	6,857		240,000			
Architect- Design		147,000	4,200		147,000			
- Supervision		53,000	1,514		53,000			
Financing Costs & Fees		56,500	1,614		45,500		$ 11,000	
Construction Interest		104,035	2,972		104,035			
Title & Recording		34,000	971		34,000			
Survey & Appraisal		14,250	407		14,250			
Lobby Furnishings		25,000	714		25,000			
Zoning		12,000	343		12,000			
Construction Period Real Estate Taxes		12,000	343		12,000			
Construction Period Insurance		11,500	329		11,500			
Construction Period Water & Sewer								
Other Construction Period Net Carrying Costs								
Legal: Transactions		18,000	514		5,000		5,000	
Organization		15,000	429				15,000	
Syndication		19,000	543	$ 19,000				
Development Consultant		104,000	2,971		104,000			
Historic Preservation- Consultant		10,000	286		10,000			
Accounting		5,000	143					$5,000
Marketing & Leasing		30,000	857				30,000	
Contingency/ Operating Reserve		53,000	1,514	53,000				
Partnership Management Fee								
Developer Fees		350,000	10,000		350,000			
Bridge Loan Interest								
Cost of Investor Note Financing		735,231	21,007	646,798	88,433			
TOTAL COSTS		$4,322,516	$123,500	$718,798	$3,529,718		$61,000	$5,000

Financing	Total		Type: Non-Federal Loans & CDBG	Type: Tax Exempt Bonds	Type: Other Federal Financing	Type: Grants	Loan Type	Terms: Term to Maturity (Years)	Terms: Annual Interest Rate	Terms: First Payment Date
Metropolitan Life**	$1,050,000		$1,050,000				1	25	7.50%	02/01/93
Signet**	250,000		250,000				1	25	10.90%	02/01/93
Third Mortgage										
Other / Grants										
Deferred Fees / GP Loans	201,995		201,995							
General Partner Capital	100,000									
Limited Partner Capital	2,750,521	(62.94% of Total)								
TOTAL FINANCING	4,332,512		$1,501,995							

Interest 8.00%
**Metropolitan Life & Signet form a combined first mortgage
LOAN TYPE DESIGNATORS: 1= Amortizing; P&I, 2= Interest Only, 3= Deferred P&I

Appendix 11-1(b) Hecht 1994, 228-229

Tax credits were the major source of equity for the project. The Historic Rehabilitation Tax Credit (HRTC) and the Low-Income Housing Tax Credit (LIHTC) constituted approximately $2.7 million or 63% of the project's total cost (Hecht 1994, 222). The major determinant in deciding to create rental units as opposed to multi-family homeownership such as condos or a limited equity cooperative was the ability to use the LIHTC. In addition, the HRTC provided a substantial tax credit as a result of the historic preservation efforts. Housing developers that renovate an historic building into affordable housing are able to use both tax credits. In the Whitelaw project, the HRTC and LIHTC were sold to the syndicator, National Equity Fund (NEP) through the Local Initiative Support Corporation (LISC) that distributed the equity to Whitelaw Limited Partnership.

Another source of funding was the developer itself. As the General Partner, Manna holds one percent of the Whitelaw Limited Partnership (Hecht 1994, 230). The nonprofit organization invested $100K of its own equity into the Whitelaw renovation. Manna decided to make this hefty investment in the renovation in order to keep the project moving forward during the zoning variance because Metropolitan Life and Signet Bank withheld the loan equity until the zoning appeal was settled. The developer's decision to invest their own equity was also in response to the commitment they made to the Shaw community. Project delays mean missed budget deadlines, which can cause problems with the lenders and create more obstacles that can hamper the project's success (McGhee 2001). However, the decision to put forth their equity was not easy for the nonprofit organization. Co-Founder of Manna, Jim Dickerson, stated that the project almost broke the nonprofit organization as a result of putting their own money in it (2001).

The Zoning Variance and Community Awareness

"Manna is known as a moderate-income housing developer. Their baggage is the perception that they are going to put up some sort of tenement house" (McGhee 2001*).*

In all their projects, Manna does a reasonable amount of community outreach dependant on the scope and level of community concern over the potential changes a new housing development may generate. The developer also arranges to borrow electricity and water during a project (Dickerson 2001). More importantly, as part of their self-accepted responsibility to the neighborhoods in which they work, Manna works closely with neighborhoods to answer questions concerning the new development and quell any associated fears. In general, the public's perception of affordable housing is closely related to public housing (Johnson 2001 and Dickerson 2001), tenements and "those people" coming into the neighborhood (McGhee 2001). As a result, Manna works to educate concerned residents on the meaning of affordable housing.

Upon hearing of the Whitelaw renovation, some neighboring homeowners voiced their concerns to the nonprofit developer. While all neighborhood residents agreed that the current state of the property was a drain on the community and jeopardized the area's economic development some residents were nervous about the impact of a low-income apartment building in their neighborhood. As a result, Manna committed themselves to community outreach and educational meetings in order to calm the fears of many neighboring homeowners. Outreach was more important in the case of the Whitelaw renovation because it was a high profile project (Johnson 2001). Project affiliates regularly attended community meetings to explain the intent of the project, arranged tours of the site for interested neighbors and invited the community to special events such as the ground breaking and opening ceremony where neighbors were able to meet the new residents. Also, the developer answered questions during meetings of the neighborhood's Advisory Neighborhood Commission (ANC), locally elected advisory boards that consider legislation on a variety of issues including zoning and economic development and make policy recommendations to the appropriate government agency (www.anc.dc.gov). Two neighboring ANCs endorsed the plan (Wiener 1992, District Weekly 01). In the end, the majority of the community was very supportive, "understood what affordable housing meant" and felt that Manna had a strong commitment to the neighborhood and the proper management of the building (Johnson 2001). The District of Columbia government was also supportive of the entirety of the project. However, there were a few objectors that vehemently opposed the project.

There were two opportunities for the public to voice concerns about the project, during the public hearings for the approval of the historic preservation and during the zoning change applications (McGhee 2001). The hearing for the approval of historic status concluded without opposition. However, the proposal to change the zoning of the property caused a backlash of strong opposition. At the start of the renovation in early 1991, the building was zoned for thirteen units. The zoning of the Whitelaw property had changed several times since the building's construction in 1919 and the proposed zoning change complied with the desired capacity of the neighborhood according to the developer and local government (Dickerson 2001). Thirteen units would not have achieved the desired impact of curtailing the shortage of quality affordable housing for the low-income residents of the area. Additionally, thirteen units were not economically feasible, especially with the historic preservation requirements (Dickerson 2001). Fewer units would not have generated sufficient profits to cover the annual operating costs of the apartment building. As a result, the developer decided to apply for a zoning change to increase the density of the building to thirty-five units.

A requirement of the application was the notification of all neighbors within 200 feet of the property of the intent to change the zoning and the posting of notification on the property. According to the developer and architect of the project, public notices were sent out to all pertinent residents and notification was posted on the building for the entire duration of the time required by the District Board of Zoning Adjustment (BZA) (Dickerson 2001 and McGhee 2001).

The zoning hearing was scheduled so that the project would meet a deadline issued by one of the lenders. Missed deadlines can cause delays in the project, which hurts the budget. The hearing was scheduled in early October 1991 for 2:00 P.M. but was not heard until midnight that evening because the previous case lasted over ten hours (McGhee 2001). The BZA heard and approved the zoning change application that evening; "there appeared to be no opposition to the development" (Keary 1991, A10).

A small group of neighboring homeowners was concerned about the associated issues of heightened crime and congestion resulting from the increased density of low-income households in the area. These residents formed the North Logan Citizen's Association in opposition to the approval of the zoning change for the Whitelaw property (Keary 1991, A10). The president of the association stated that they have "no objections to [the Whitelaw] being fixed up" but that "this development will put more people into the neighborhood and will affect the density in the neighborhood" (Keary 1991, A10). Another member of the association (and homeowner within sight of the project) had slightly different fears of the project. He stated that "his concern is the number of subsidized units, halfway houses, homeless shelters and drug rehabilitation centers in the area." Another concern was that "there will be a lot of children out on the street where the blueprint for life is already set out", implying the negative influences associated with increasing the number of low-income households (Wiener 1992, District Weekly 01).

In response to the approval of the zoning change, forty residents petitioned to reopen the case (Wiener 1992, District Weekly 01) on the technicality that they were never notified of the proposed zoning change for the property and thus were not able to voice their concerns about the project. They hired a lawyer and filed a technicality suit in an attempt to block the project.

This action caused two lenders, Metropolitan Life and Signet Bank, to withhold equity until the suit was settled (Dickerson 2001). The District of Columbia government, another investor in the project, likewise asked their lawyers to review the validity of the suit. The government lawyers predicted that the opposition would not prevail in the suit. Therefore, the D.C. government continued their financial support in the hope that their commitment to the project would favorably influence the decision of the BZA (Reeves 2001). In addition, Manna invested their own equity in order to keep the project moving during the suit (Dickerson 2001).

Proponents of the project criticized the group of dissenters and heightened their public support for the renovation of the Whitelaw Hotel. A member of the adjacent Cardoza-Shaw Neighborhood Association asserted that opponents received adequate notification because his association sent out mailings on top of the required announcements. He speculated that the group did not like the project and was “attempting to derail it on a minor technicality” (Wiener 1992, District Weekly 01). The ANC commissioner for the Whitelaw area stated that this group of residents deserves to be heard if they were not properly notified (Wiener 1992, District Weekly 01).

The BZA noted the rarity of a decision being challenged based on inadequate notification. The board scheduled a hearing set for early December 1991 to decide whether or not the case should be reopened as a result of failure of proper notification (Wiener 1992, District Weekly 01). The hearing was rescheduled for early January 1992. In the end, the BZA rejected the variance asserting that adequate notice of the October hearing had been provided by the project developer (“In the News” 1992, J01). Within three months, the lenders provided the withheld equity and the project was back on track.

The Restoration and Renovation Plans

There are three terms commonly used to describe the redevelopment of once dilapidated buildings: rehabilitation, renovation and restoration. Rehabilitation and renovation have the same meaning for housing developers—to repair a building for future use. Restoration means to bring back the original materials of a building to the designated period of significance (McGhee 2001). Restoration generally means that there is a certain amount of original material that is brought back. Certain features are restored using photographs or by creating a mold from an existing original item such as a plaster trim and replicating that item from the mold (McGhee

2001). A complete replication of historic features without having any original material does not qualify as restoration.

The historic preservation required to make the project eligible for the HRTC included the extensive restoration of the exterior of the building. Included were the restoration of the original brick and the cornice trim along the front of the building, which had fallen into the top floor as a result of the fire. One of the most important features to restore were the windows. Windows are important in historic preservation because they make up the defining character of the building and period of significance (McGhee 2001). Windows are also one of the most expensive features to restore. The Park Service required the complete restoration, including the wood frame, of all exterior windows visible to the public. Exterior windows located in the inner courtyard (out of public view) would be replaced with less costly windows similar to the original style.

The ballroom on the main floor was also restored to the period of significance. It was always the intention of the developer to restore the ballroom because it possessed the most social significance. The ballroom had been used for the major social events in the Uptown community—everything from weekend dances, formal dinners and weddings were held in the Whitelaw's ballroom.   However, since the interior was not granted landmark status, there were fewer requirements stipulated in the use of the HRTC.

The decision to restore the ballroom provided the developer leverage to make some significant alterations to the circulation of the main floor (McGhee 2001). The original hallways were very narrow, about three to four feet wide. In order to comply with modern building code the hallways needed to be widened. In addition, there were two entrances into the building on the main floor. The front entrance (on 13th Street) was for hotel guests and the side entrance (on T Street) was for apartment residents. Since the future use of the building was long term residential, the architect decided that all entrances to the building needed to provide access to the main stairway and elevator for convenience (McGhee 2001). Additionally, all staircases were renovated to meet the modern building codes. These interior changes required the approval of the National Park Service. The Park Service allowed these major interior alterations as a trade off for the voluntary restoration of the ballroom.

The extent of the ballroom restoration was determined by the availability of funding and locating craftsman capable of recreating the original features. Several defining features of the ballroom were recovered, either in their entirety or enough to recreate the feature. Only one feature, an ornamental wood grill, was completely intact. All other original materials were restored (Ross 1992, T08). Two other major defining features, the column capitals and the stained glass ceiling, were restored using original materials to recreate the lost or severely damaged sections. Six of the original column capitals were recovered and used to form a rubber mold to create twelve new columns and "Corinthian-style capitals" (Ross 1992, T08).

The original panels of the stained glass ceiling required more effort to locate because they were not in the building. After some inquiry, the architect learned that a local collector bought the stained glass panels in 1979, aware of the historical value of the glass panels (McGhee 2001). The collector installed one panel in his house and stored the remaining panels in his garage (Ross 1992, T08). He agreed to sell the panels to Manna, minus the one in his house. Washington Art Glass was hired to restore the stained glass panels and recreate the unavailable panel as well as two other small windows that were never located. The restoration of the stained glass panels took six months to complete, working with two different manufacturers to locate the original materials (Ross 1992, T08).

The plaster moldings were also restored. Plaster is one material that can be brought back fairly easily using photographs because the material itself does not change much over time (McGhee 2001). One plaster feature, clusters of fruit and flowers in relief, was restored with its original materials. Also, a small section of the egg and dart crown molding was salvaged. From these pieces, the artisan fabricated a template of the original design to recreate the feature (Ross 1992, T08).

Other features such as gold leaf trim were excluded from the restoration because of costs, but acceptable substitutes were created (McGhee 2001). A permanent feature of the restored ballroom is a photographic exhibit highlighting the history of the building and the black community (Ross 1992, T08 and Johnson 2001). The future use of the ballroom includes neighborhood meetings and events and rental use for weddings or small parties.

Figure-3, The restored ballroom.
Courtesy of Ronnie McGhee

The renovation of the remainder of the building was extensive. So much of the building was in serious disrepair from vandalism, neglect and the fire that burned out the roof leaving the upper floors fully exposed to natural conditions. There was a tree growing out of the building with a height of nearly 10 feet higher than the parapet. When the renovation finally commenced, ground clearing for the construction was made more difficult because the exposure to harsh weather created a thick cement-like substance of plaster, garbage and weeds on the upper floors (McGhee 2001).

The upper floors were gutted and the apartments were built to modern code specifications (Ross 1992, T08). The thirty-five units varied between one, two and three bedroom apartments. Apartments were located on all floors. The basement also housed the laundry room. The renovation included the construction of a small parking lot in the back of the building for use by the residents. Residents were eligible to rent a parking space (Simpson 2001).

Resident Selection

The construction took about nine months to complete and the first residents moved in late November 1992. By early 1993, the Whitelaw apartment building had attained full occupancy (Simpson 2001). The process of resident selection for the Whitelaw apartments was the same as other Manna projects, even though it is a rental property, because the end goal for the property is homeownership (Simpson 2001). Residents were selected from over 350 applicants. All applicants were subject to a standard credit check and had to meet the income criteria mandated for the use of the LIHTC. The application process was open to the general public, but priorities were given to interested Shaw residents (Dickerson 2001).

As is typical with rental properties, the turnover rate is higher than owner-occupied properties but there are benefits to living at the Whitelaw such as close proximity to the Metro and the U and 14th Street commercial area. Currently there are only two to three original residents still living in the Whitelaw (Dickerson 2001). Filling vacant units is not difficult. Interested people hear about an opening at the Whitelaw through word of mouth or an organization with which Manna works. While there is no waiting list for the Whitelaw, people that are recommended by a credible organization are usually the first to receive notification about the vacancy (Simpson 2001). If the applicant's credit is good and they meet the income requirements, the next step is a home visit with Manna's Director of Property Management.

The home visit gives Manna staff a visual inspection of the applicant's living space, and provides the potential resident a chance to meet Manna personnel. The staff of Manna uses this visit to explain the current and future situation of the property. They explain that a management company is responsible for the daily issues and problems of the building and that all requests and complaints should be directed to the company. They are assured that Manna works closely with the management company. In addition, if residents have any concerns they feel the management company has not addressed or if they have specific complaints about the company they should inform Manna (Simpson 2001). The director emphasizes that the success of a building is more than the quality of the products and design. It is heavily dependent on "being people oriented" and "taking care of the people as people…because they are the ones that really determine the outcome of the building" (Simpson 2001).

In addition to the income limitations required for the use of the LIHTC, several residents receive rent subsidies. Initially, the District of Columbia government and Manna provided modest rent supplements, but they have expired. The property accepts Section 8 vouchers and approximately twenty-five percent of the building is Section 8 occupied, but the percentage fluctuates (Simpson 2001). There is no maximum number of Section 8 residents allowable; however, the Director of Property Management discloses that he would feel uncomfortable allowing the building to reach fifty percent Section 8 occupied. He adds that just because people do not have Section 8 vouchers does not mean they are not low-income and vulnerable to the same stereotypes as Section 8 recipients. He argues that if you take care of the building and you take care of the people then no one can tell that the building houses Section 8 recipients (Simpson 2001). Again, this alludes to the negative perception of low-income residents and the associated fear of area homeowners concerning the impact of a concentration of low-income households on property values.

Property Management

Upon the opening of the Whitelaw, Manna hired a management company to oversee the daily operations and resident issues. Their responsibilities included general maintenance and upkeep, responding to resident concerns, and resident selection (except the home visit). Additionally, the building had a resident manager. This resident was responsible for providing entry into the building to contractors and mail carriers, keeping track of problems with noise and vandalism, and also dealing with resident concerns in the evening (Simpson 2001). Some residents of the building have called into question the effectiveness of both the management company and the resident manager.

Manna acknowledges that since the Whitelaw's reopening there have been some concerns in and around the building. In a building where about half of the units are occupied by households with one or more children, there are typical problems with noise and children running in the hallway. On several occasions, strangers have been let into the building unauthorized, which had caused some concern for safety. Then there have been bigger concerns. For example, a few years ago a gang moved into one of the vacant rowhouses on T Street. Manna recognized this as a potential hazard and arranged to have a policeman stand in the building for a couple weeks in hopes that his presence would deter the gang (Simpson 2001).

Concerns expressed by two residents, one current and one former, are more severe than the acknowledged concerns of Manna. There was the everyday annoyance of noise, cigarette smoking in the building (officially prohibited), people pulling the fire alarm and propping the front door open (again prohibited). And there were the more serious problems such as drug dealing in the building, the stealing of clothes from the laundry room, and vandalism. Residents also had regular problems with the management company. One resident called the original management company "more of a nuisance than anything else". Another resident alleged that the management company stole rent money from residents claiming that they did not pay their rent. In addition to the problems with the management company, the resident manager was deemed ineffective. One explanation offered was that when she did the job correctly, she was threatened—her car was broken in to and her apartment was trashed[7].

These two residents stated that they did not feel personally unsafe living in the Whitelaw, but thought that many residents did (Former and current residents 2001). They claimed that Manna was informed of the threatening situations in the Whitelaw but that they did little about it for a long time.

Within the past year, Manna switched the management company at the Whitelaw. Their decision was the result of prolonged stagnant performance, several complaints from the residents and a high turnover rate of individual mangers for the property by the management company. In one year, the property underwent four to five different property managers (Simpson 2001). The constant changes proved unproductive for the property and implied some dissatisfaction on the part of the management company's employees. So Manna felt a change was needed to better serve the residents of the Whitelaw.

Some residents think the new management company is doing a better job and is now dealing with resident concerns (Current resident 2001). They also feel that the living conditions have improved within the past year, probably because of switching the management company.

Overall, Manna believes that they stay involved in their projects. The Director of Property Management states "Manna itself, because we stay closely tied to our projects, we never completely walk away. We may not always be able to assist everyone the way they wish but we always keep an open ear…What we try to do is take care of issues before they become a problem" (Simpson 2001). He asserts that the management of the building is not the sole

[7] Excerpts selected from group two interviews.

responsibility of any one group. It requires concern and cooperation from the residents, the management company and Manna to maintain the desired quality of life and solve the various problems that arise in rental properties.

Chapter Eight

The Success of the Whitelaw Renovation?

The response to the outcome of the Whitelaw renovation by interview participants was unanimous. Manna associates and the community were very pleased with the outcome of the Whitelaw project. Community residents now regarded the building as an asset instead of a blight. The architect elaborated that he was satisfied on several levels. He stated, “I was pleased with the fact that the residents took ownership of the building, of its history and legacy. I was pleased with the physical and architectural result. Moreover, I was pleased with the success of helping to bring the neighborhood back” (McGhee 2001).

The Whitelaw stands as a success story in many contexts. The project provided greatly needed housing for low-income Shaw residents, hastened the designation of the neighborhood as a historic district, and was a component of revitalization efforts in what some residents have called a renaissance or “bringing the neighborhood back to the way it was” (McGhee 2001).

It is clear that the renovation of the Whitelaw Hotel into apartments for low to moderate-income households successfully created affordable housing in the neighborhood. Support is found in the requirements for the use of the LIHTC and the local LAHDO program stating that the units must be occupied by households earning between 50-60 percent of the area median income. But proof of the preservation of quality affordable housing in this neighborhood is the building itself. The Whitelaw currently stands as evidence that there is a place for low-income residents after neighborhood redevelopment.

Manna and the greater community agree that the Whitelaw project successfully created more affordable housing units in Shaw (Johnson 2001, Dickerson 2001, Reeves 2001, Simpson 2001, McGhee 2001, Area homeowner 2001 and Former resident 2001). Manna’s established reputation in the community and the District of Columbia as the predominant housing developer

(Lelen 1997, E01) aided the success of the Whitelaw project because their reputation allowed them to take risks that other nonprofit developers could and would not, especially in a booming housing market. Manna's involvement safeguarded the Whitelaw as an affordable housing development and took the property out of jeopardy of being swept up in the construction of market-rate housing (Johnson 2001).

Who measures success?

For the participants in the study the major success of the project was the production and provision of affordable units and the preservation of an historic landmark. The North Logan Citizens Association looked for a way to stop the Whitelaw not out of fear of the project's proposed physical repairs or architectural design of the building, but because of their perceptions of the people and lifestyles that would inhabit the Whitelaw. The perception that affordable housing is similar to public housing, with its associated high poverty and high crime (Massey and Denton 1993) and that low-income implies high poverty influenced the actions of some middle and upper income homeowners. One opponent's concern hinted at the fear of a low-income lifestyle. He stated that the "blueprint of life is already set out" for children in low-income households, one of "drugs and prostitution" (Wiener 1992, District Weekly 01). These fears were imbedded in the more outspoken statements about property values and all were presented as claims of concern for a "democratic process", where proper notification was provided (Wiener 1992, District Weekly 01).

Manna asserts that the organization's work improves neighborhoods and that by improving neighborhoods, they are improving the city as a whole (Simpson 2001). If this statement is true, then the neighborhood improvements should be evident and affordable housing projects not so fearful to middle class homeowners. On the outside, "the building could not look better"; Manna keeps the lawn nice, takes care of the building and picks up the trash. On the inside, there have been some complaints about profanity on the walls and kids marking on the walls, the smell of urine in the hallways, noise, theft, and drug dealing[8]. Manna acknowledges that there have been "little issues with kids running in the hallways or people letting people in unexpectedly, unauthorized" but that they try to take care of these issues before they become a problem (Simpson 2001). They claim, "we have people who want to be [at the Whitelaw] for a certain quality of life" (Simpson 2001).

[8] Content and quotations selected from group two interviews.

These interior problems raise the question of who measures success, who has the ability to determine the quality of life in the Whitelaw and what quality of life residents expect. Interviews with the residents expose several questions about lifestyle preferences and the quality of life in affordable housing developments that remain unanswered in this study. Are all developments that house low-income residents susceptible to associated crime and petty nuisances? Is the quality of life within the building Manna's responsibility to create and preserve? Is it the perceived or actual lifestyle of low-income households that creates opposition by the middle class? Is the provision of quality affordable housing sufficient for creating safer living conditions and better opportunities for low-income households? These are important place-based issues that address community development agendas, housing policy and decision-making about social service provision in urban neighborhoods. The location and provision of housing is heavily influenced by factors long embedded into urban geography—the social history of race and class issues and economic issues such as land values and consumer demands. The availability of quality housing for low-income households does not necessarily address these underlying issues, especially those that are less tangible such as one's quality of life.

The sustainability of affordable housing in Shaw

All participants in the study agree that the project preserved some economic diversity in a neighborhood transformed by gentrification. The sustainability of the Whitelaw development as affordable housing beyond the 15-year compliance period of the LIHTC is another issue. There are both optimists and skeptics when it comes to the long-term success of affordable housing in gentrified neighborhoods and booming real estate markets. Participants in the case study that worked for Manna either currently or at the time of the renovation believe that the Whitelaw is sustainable as affordable housing. They assert that the conversion of the apartments to ownership units at the end of the compliance period is the way to preserve the affordability of the Whitelaw development (Johnson 2001, Dickerson 2001, Simpson 2001 and Area homeowner 2001). Manna believes that homeownership is the best way to ensure that units are not converted to market-rate housing and there are different means for preserving the affordability.

Protection is in the form of limited equity clauses and first right to purchase covenants incorporated into the contract between buyer and seller (typically a nonprofit organization). Limited equity clauses restrict the amount of equity the owner receives when they sell the property (Johnson 2001 and Simpson 2001). These clauses stipulate the percentage of equity that the owner can procure from the sale of an affordable housing unit. The remainder of the equity typically goes back to the nonprofit organization that originally sold the house (Simpson 2001). By limiting the amount of equity a seller receives, housing developers can use the remainder for other development projects or as mortgage subsidies for potential buyers. In addition, it limits profit motivated selling that drives market-rate housing prices.

First right to purchase clauses are incorporated into contracts to allow the original seller, again usually a nonprofit organization, the ability to buy back units to preserve them as affordable (Reeves 2001). Another type of covenant restriction is the first right to refuse a potential buyer by the original seller of the unit. These clauses guarantee that these units remain affordable because the nonprofit organization is always given the first opportunity to either purchase the unit and then resell it or deny the sale of the unit to certain people in an effort to preserve its affordability.

Another form of sustainability is through local community land trusts. Land trusts function as nonprofit organizations. They are established to purchase land on which to provide affordable housing. Owning the land guarantees a permanent place for affordable housing units (Hecht 1994, 123). The land trust then leases or sells the buildings on the land either to individuals or nonprofit developers for home ownership or rental use. The sale of the buildings comes with restrictions on the amount of equity that the owner can receive from the sale of the building (Johnson 2001). Partnership with local community land trusts allows nonprofit housing developers to save money because they do not need to acquire the properties on which they plan to develop affordable housing. This allows nonprofit developers to focus more on production. Additionally, in gentrified neighborhoods such as Shaw where property values are no longer affordable for nonprofits to purchase properties, partnership with a land trust working in these neighborhoods allows for the continued production of affordable housing. The District of Columbia entity is called the New Community Land Trust.

The participants that were skeptical about the sustainability of the Whitelaw as affordable housing cited the property’s vulnerability to gentrification forces at work in Shaw and the District of Columbia as a whole. There is no risk of the property losing its affordability during the 15-year compliance period as long as Manna honors the income limitations. Actions taken by Manna upon the completion of the compliance period, either to maintain the building as rental or convert the units to homeownership will determine the property’s sustainability. Manna currently charges rents much lower than other apartments in the surrounding area, which would be difficult to sustain if the property were not owned and operated by a nonprofit organization (McGhee 2001). Another participant stated that it is impossible to speculate on the range of incomes Manna will target eight years from now, especially since there are several options available to them (Reeves 2001).

Then there are the participants that "think" the affordability of the Whitelaw is sustainable or declare that sustainability is Manna's "goal" without going into detail about how this is attainable (Area homeowner 2001 and Simpson2001). These responses recognize an element of vulnerability to market forces but adhere to Manna's proven ability through past projects and determination to preserve the property's affordability. In the end, the preservation of the Whitelaw as affordable housing for moderate and low-income households falls on Manna's shoulders to determine what happens after the compliance period is met, and this is no light decision because affordable units in Shaw are scarce.

Upon the completion of the compliance period in approximately eight years, Manna has narrowed their options for the Whitelaw to two. At this point, the nonprofit organization has decided against continuing to operate as rental apartments mainly because they feel that homeownership is the best means for providing affordable housing and stabilizing communities (Dickerson 2001). The two common options for converting the Whitelaw into homeownership are creating a limited equity cooperative or condominiums. Both options have advantages and disadvantages.

Cooperatives are owned by a nonprofit cooperative corporation; residents of the building create a charter and operate the building based on its bylaws (Hecht 1994, 290). Cooperatives are governed by an elected board of directors, which make policy and operating decisions. Shareholders pay monthly fees to cover operating costs. Each member of the cooperative corporation has equal voting power and shares are sold only with the approval of the cooperative (Hecht 1994, 290). Limited equity cooperatives limit the amount of equity that a shareholder receives upon the sale of his/her share. Typically this amount includes the initial equity to acquire the unit, an adjusted annual cost of living factor, the cost of any improvements to the unit, and the amount of loan principal paid (Hecht 1994, 439). Cooperatives are "fee simple ownership by corporation", meaning that ownership of the entire property is held by the cooperative corporation not an individual. The individual owns a share in the cooperative. The shareholder possesses certain rights and responsibilities determined by the board. Failure to obey one or more of these responsibilities can result in the eviction of that shareholder by the board (Hecht 1994, 437). Additionally, the individual is not always required to secure financing on his/her own. Cooperatives are typically financed through "blanket loans" which cover the entire property instead of individual loans. Lenders finance the property based on property characteristics and marketability. Individual requirements for loan approval can thus be more lenient (Hecht 1994, 437).

In the arrangement for condominiums, each unit is owned separately and the common spaces are owned collectively (Hecht 1994, 292). Common areas include all interior spaces outside of individual units such as hallways, the laundry area, and in the case of the Whitelaw, the ballroom as well as exterior spaces like the lawn and parking lots. Similarly, the building itself is considered collective property so any maintenance needed on the roof or water lines are shared costs. The condominium is governed by an association and elected board of directors, similar to a cooperative corporation. While the condominium owner holds the title to his/her unit, each agrees to abide by the rules and regulations established by the condo association. Payment of monthly dues is required, which handles the operating and maintenance costs for collective space.

A major difference between condominiums and cooperatives is that condominium owners can make improvements to their own unit without the approval of the board (Hecht 1994, 292). Another difference is that condominium owners have “fee simple ownership by individual” which means they do not need to gain approval by the board to sell their unit and can sell their unit to anyone for any price. In this situation, there is no assurance that the unit will remain affordable beyond the initial owner. Lastly, potential condominium owners must be capable of qualifying for mortgage financing on their own instead of the option for blanket financing available to cooperative shareholders (Hecht 1994, 435).

Limited equity cooperatives are the preferred option by the local government because they provide sustainable affordability for homeownership in multifamily buildings. The District of Columbia government provides some benefits for the creation of limited equity cooperatives over condominiums. The First Right of Refusal program requires the owners of multifamily buildings intending to sell the property to first offer the building to the existing residents. For those residents seeking to purchase, the First Right to Purchase program offers potential "cooperators" the acquisition financing at a subsidized rate of three to five percent with a loan period of as long as forty years (Reeves 2001). In addition, the government provides no interest construction loans for site improvements.

Another subsidy, the Home Purchase Assistance Program (HPAP) is a second trust mortgage program for eligible households looking to buy into a limited equity cooperative. The loan amount is $20,000 per household or $25,000 for households that are threatened with displacement (Reeves 2001). These loans are paid either directly to the household or in the form of a blanket HPAP loan. Blanket HPAP loans take the responsibility off the individual to pay back the loan by providing the loan to the cooperative corporation. In turn, the household makes payments to the cooperative corporation for his/her share of the cooperative. The local government has the option to either defer payment of a blanket HPAP loan until the property is resold or refinanced but they could also charge interest depending on specific circumstances (Reeves 2001). These programs are an effort by the District of Columbia government to encourage the creation of limited equity cooperatives over condominiums to preserve affordable multifamily homeownership options in the city.

What is "affordable"?

Evaluating the sustainability of affordable housing has raised the issue of what the term affordable really means. Affordable is defined as "to be within one's financial means" (Webster's College Dictionary). Within a similar income range, affordability varies from household to household depending on other household expenses and needs. Typically, housing expenditures that exceed 30 percent of a household's monthly income are considered unaffordable. Similarly, HUD considers low-income households that spend over 50 percent of their monthly income on housing costs "worst case needs" households (Rosen and Dienstfrey 1999, 438).

Determining the qualifications for moderate and low-income households is based on the area median income (AMI). One point of contention for housing activists in the District of Columbia is that the AMI used to determine income limitations is calculated for the entire Washington, D.C. metropolitan area, which includes one of the wealthiest counties in the nation, Fairfax County, Virginia (Wilgoren 2001, B01). The AMI was approximately $82,800 for a family of four in 2000 but the median income for the District of Columbia was $46,800 (Lazere 2001, B08). As a result, households earning as much as $41,400 (50%) and $49,680 (60%) last year are considered low-income. These households qualify for the affordable housing subsidies and incentives. Additionally, proposed legislation in the District of Columbia aims to boost housing provision for these income groups. This legislation affects the approximately 210,000 households that earn 60 percent of the AMI but provides no guarantee of assistance for households earning less than $25,000 or just over 30 percent of the AMI (Wilgoren 2001, B03).

Not surprising, affordability in the District of Columbia is an ambiguous term, especially when it relates to policies for the provision of housing. Labeling a building such as the Whitelaw as affordable for moderate and low-income households is misleading for many low-income residents. When the majority of people think of low-income, they think of households earning less than $30,000 or persons on a fixed income such as the elderly regardless of the AMI (Former resident 2001). There are about 83,000 households in the District of Columbia earning less than $25,000, a significant portion of the population (Wilgoren 2001, B03). These residents would have difficulty spending $1,200 a month for rent, which under the mayor's proposed housing plan is considered affordable for a low-income household of four (Lazere 2001, B08). In fact, a household earning $25,000 annually would spend more than 50 percent of their monthly income on housing costs to live in an affordable unit with a monthly rent of $1,200. The current criteria for classifying moderate and low-income households requires the truly low-income population of the city to compete with middle-income households for available housing subsidies and affordable units. Grouping together households earning $25,000 and $49,000 pushes housing opportunities further out of reach for the very low-income population, the group of people with the greatest need for quality affordable housing and most threatened by the current boom in the housing market.

In 1998, the monthly rents at the Whitelaw were $579 for a one bedroom unit, $692 for a two bedroom unit, and $788 for a three bedroom unit (Powell 1998, F01). Projecting the annual three-percent rent increase (Hecht 1994, 230, Appendix 11-1(c)) current rents are approximately $633 for a one bedroom unit, $756 for a two bedroom unit, and $861 for a three bedroom unit. These rents are lower than the estimated rents for proposed affordable housing units however many Whitelaw residents do not feel that the rents are affordable for moderate and low-income residents (Former resident 2001). In addition to the rent, residents are responsible for all utilities except water. Utility expenses add up and many residents do not initially anticipate these extra expenditures.

Similarly, many residents perceive moderate and low-income differently than the above-described definition. One former Whitelaw resident states "a person like myself, when I think of moderate and low-income I think of welfare recipients, people on disability or social security. A single person on disability or social security cannot afford to live in the Whitelaw. Section 8 helps out but not everyone qualifies for Section 8. A person like me, who was making $27,000, I ultimately had to move out because I could not afford it. I am a single parent. When you think of low and moderate from that perspective, no [the Whitelaw] is not" (Former resident 2001).

As a result, several residents of the Whitelaw believe the building is not affordable and occupancy requirements do not target the portion of the population most in need of subsidies. These feelings have resulted in several misconceptions and have raised concerns about continued affordability of the building. Some residents think that classifying a building as low-income under the current criteria is deceptive and reiterate that the Whitelaw is not affordable in the sense of what people can afford to pay for housing (Current resident 2001). One resident suggests that politics are involved in the level of affordability that is contingent on the surrounding homeowners. This participant states "the people that own the homes in the neighborhood are not going to let rents go too low because they have invested in that neighborhood and their property and they are protecting their interests" (Former resident 2001). These residents speculate that the Whitelaw's affordability will continue to decline for the current residents and many may eventually need to move out.

The Whitelaw renovation's impact on Shaw

Many participants felt that the Whitelaw renovation contributed to the gentrification in Shaw. The architect of the project stated that in retrospect "the Whitelaw was a catalyst for gentrification because it made the neighborhood more attractive" (McGhee 2001). Another participant stated that the development of "community facilities like the Whitelaw are a bellwether of what are to come. When people see community facilities being developed it is a sign that the neighborhood is turning around" (Area homeowner 2001). Some participants asserted that the Whitelaw's attractiveness created "curb appeal" that encouraged other property owners to better maintain their buildings (Simpson 2001 and Former resident 2001).

Only one participant was unsure whether the Whitelaw renovation assisted gentrification. This participant stated that "you could definitely say that [the Whitelaw renovation] improved the property values for existing owners" but was not certain that improved property values translated into gentrification (Reeves 2001). Additionally, he agreed that the renovation improved the look of the neighborhood overall and that was most obvious with the in-fill renovation of neighborhood rowhouses. However, he stated that he had not seen any improvements to the exterior of the apartment buildings on the block and speculated that the rents in these buildings may still be lower than in other parts of the neighborhood. In response to this speculation, there may be several reasons for the stagnation in rents that may have little to do with the renovation of the Whitelaw Hotel such as the buildings being under contract for the use of Section 8 vouchers or the property owners may be holding out for the neighborhood to fully stabilize.

The renovation of the Whitelaw Hotel is viewed as an asset to the neighborhood that helped to stabilize the area. "Before the building was driving the neighborhood down, a big vacant hole where people were doing drugs and whatever. Now it is an occupied building where 85 people live who call the police, work and provide a tax base…a total negative to a total positive" (McGhee 2001). The renovation got rid of a building that was known as a drug haven, a place for prostitution and a physical threat to the adjacent houses because it was structurally unstable from the 1981 fire.

The Whitelaw renovation was not only seen as a physical improvement to the neighborhood but one participant asserted that the renovation changed the attitude of the neighborhood. The rehabilitation of a building that characterizes a significant period of history for the community uplifted the neighborhood attitude—people were taking more pride in the appearance of their homes and community facilities and this translated into outside interest in the neighborhood (McGhee 2001).

Lastly, most participants agreed that the Whitelaw renovation had influenced the demographic composition in the surrounding area. Community residents have noticed an influx of white residents in the past few years and attribute the changes to the residential and commercial rehabilitation projects in the community. While there was no definitive means for evaluating these claims, these claims coincided with the positive effect of reinvestment and rehabilitation on property values and neighborhood stabilization that generate outside interest in the neighborhood.

Gentrification's impact on Shaw

Gentrification in Shaw is extensive. The evidence is apparent in increasing neighborhood support for projects like Harrison Square, luxury townhouses originally priced in the mid-$200,000s but sold in the mid-$300,000s, the plethora of luxury condominiums in the neighborhood and the new retail and entertainment businesses lining U Street. However, in 1990, neighborhood changes were slow and subtle. "There was some evidence that something was afoot in the neighborhood but nothing that would cause you to think [gentrification] would happen anytime in the immediate future" (Reeves 2001).

The major changes occurring in Shaw during the time of the Whitelaw renovation were government instituted projects such as the construction of the Metro station, residential areas were slow to change. Two project participants regarded the people moving into Shaw in the early 1990s as "pioneers" (Reeves 2001 and McGhee 2001). In-migrants were described as generally white. One participant stated that white people were "coming in and moving to places off 14th Street in places I would not live. Five years from now I might move into that neighborhood but not now" (McGhee 2001). This participant also asserted that the black middle class was steadily moving into the suburbs "because they have lived in Washington and recognize the difficulties of city life and they want to go to the suburbs where life is simpler, where they do not have the same crime" (McGhee 2001). In a city with a majority African-American population, the perception of residents was that the gentrifyers were largely the white middle class and were relatively fearless about living in areas that the black middle class would not live. These statements supported Neil Smith's description of urban pioneers (1992) and literature that described gentrifiers as typically middle class, white, and childless (Beauregard 1986).

What constitutes gentrification was dependent on one's perspective. Participants expressed mixed views concerning the impact of gentrification on Shaw. Many participants felt that gentrification had a negative impact on communities, especially the low-income population and the availability of affordable housing. Others felt that gentrification was beneficial to communities but that it was difficult to control the process and minimize the negative impacts. Still others were glad to see the changes in the neighborhood with only minor reservations about negative consequences. Literature supported the argument that gentrification can have good, bad, or good and bad impacts on a neighborhood depending on the interests of the stakeholder

(Kennedy and Leonard 2001, 24). There was no one set of outcomes—the consequences and impacts experienced in one neighborhood were a result of the driving factors that were likewise specific to that neighborhood.

In general, no one stated that the impacts of gentrification were completely negative. Some participants regarded gentrification as negative because it impeded on the affordability of properties that enable nonprofit housing developers to produce affordable housing or allow lower income households to buy market-rate houses (Simpson 2001 and Johnson 2001). One participant stated that it is impossible for Manna to produce more affordable housing units in Shaw unless land was given to them because they cannot afford to buy property in gentrified communities (Area homeowner 2001).

This fact impacts not only the success rate of nonprofit housing developers but also the low-income households that live in these gentrifying neighborhoods. Gentrification has made "housing a lot more expensive and not affordable for most of the people who have lived [in Shaw] for a long time (Area homeowner 2001). Without affordable housing projects in gentrified neighborhoods, the demographics would turn from low to high-income without the creation of mixed-income communities. Manna projects target the placement of community residents first in order to give them the chance to stay in their community and likewise reap the benefits of reinvestment (Simpson 2001 and Dickerson 2001) but it is the same process of gentrification that inhibits successive projects.

The demographic changes that accompany gentrification also impact the level of support for affordable housing development. One participant alleges that homeowners around the Whitelaw "hold a jaundiced eye toward affordable housing because the neighborhood is fully gentrified and now they see it as not something they need to enhance their property values. In fact it may now be a threat to their property values" (Area homeowner 2001). These types of feelings are manifest in area homeowner's lack of attendance at one of Manna's largest affordable housing fundraisers. When it began six years ago, neighborhood homeowners were hefty supporters. However, the only area homeowners in attendance this year were homeowners that were friends of Manna employees; mostly residents of affordable housing and activists attended this year's event (Area homeowner 2001). This attitudinal change influences opportunities for new projects. For example, Manna has recently acquired four properties one block from the Whitelaw for the production of affordable units for homeownership. However, the project does not have the same support from the community as the Whitelaw project did mainly because homeowners feel that more affordable units may negatively impact their property values (Area homeowner 2001).

Several participants point out that gentrification is part of the market process, one that is not necessarily bad because revitalization brings housing and commercial opportunities to depressed neighborhoods (Johnson 2001, Reeves 2001 and McGhee 2001). As Neil Smith states, gentrification is a product of land and housing markets (Smith 1996, 70) and does not develop in isolation. Specific neighborhoods become vulnerable to change depending on their potential value by investors. Target neighborhoods, such as Shaw, that experienced long term disinvestment and decay provide the land values that enable housing developers to produce moderate and low-income housing (McGhee 2001, Smith 1996, 70). In this respect, gentrification is beneficial to a community because it brings much needed reinvestment that upgrades community resources, stabilizes negative activity such as crime and drug dealing and attracts higher incomes that create a mixed community (Johnson 2001). However, this cycle of the city also raises property values to the extent that if not for the efforts of local government subsidies and nonprofit housing developers affordable housing would be unattainable for many urban residents.

Lastly, there were participants that thought the redevelopment in Shaw was beneficial and did not identify the process with negative consequences. In fact, one participant stated that he was not sure that the changes taking place were a result of gentrification. He stated, "the general attitude about the city has increased, people are moving in and they are willing to spend more to get a house. Now if you call that gentrification—I call it coming back to the way it was" prior to de-segregation and the economic depression of the 1930s (McGhee 2001). This participant associated gentrification with opportunities for long time homeowners to benefit from increased property values, a falling crime rate and a resuscitated commercial district.

This sentiment was reiterated by another participant that "grew up hearing stories about the Whitelaw Hotel" and the prominence of the Shaw community (Former resident 2001). The responses of these participants were influenced by their long time connection to the community. Both participants grew up in Shaw with parents that likewise grew up in Shaw and they remembered hearing stories about the success and affluence of the community. One interesting aspect was that while these two participants came from different income groups (one is middle and the other low-income) their historic connection to the community produced similar perceptions about the impact of redevelopment on the community. Both participants saw the changes as positive and both had every intention of living in Shaw in the long term.

One participant asserts that as long as the option to move around and find cheaper housing remains available to all economic classes in the city then "people are not losing in gentrification" (McGhee 2001). The problem is that it is difficult to control the pace of gentrification (Johnson 2001) and thus anticipate how it will affect certain neighborhoods. When housing options are depleted for lower income households in gentrified communities they must move. A component of controlling the negative impacts of gentrification is recognizing its prevalence in a community and safeguarding certain properties as affordable through restrictive covenants, government subsidies or community land trusts regardless of whether the community calls it redevelopment, gentrification or a renaissance.

Chapter Nine

Conclusions

The intent of this thesis is to create a link between gentrification and affordable housing as it relates to the sustainability and affordability of housing for low-income households in gentrified neighborhoods. The current literature on affordable housing deals with the difficulties involved in the production and provision of affordable housing and nonprofit housing development. While housing literature does address the impacts of gentrification on housing policy, little is mentioned about the fate of affordable housing production and provision in gentrified communities. Gentrification literature has dealt with the causes and impacts of gentrification including displacement and urban policy implications. However, studies on the impacts of gentrification on affordable housing preservation in gentrified communities have not addressed for U.S. cities. This thesis attempts to bridge this gap between two different areas of study that influence each other—gentrification affects housing policy and similarly, housing policy decisions influence the rate and location of gentrification in many urban areas.

This paper found that while the Whitelaw project successfully created affordable housing units, there was little consensus by interview participants on the determination of affordability or whether the project is sustainable as affordable housing after the low-income housing tax credits expire. Additionally, responses concerning the impact of the project and gentrification on the Shaw community were less decisive. Responses about gentrification revealed the prevalence of gentrification in the neighborhood. The perceptions of whether gentrification's impacts were positive or negative were less concise and were influenced by the participant's familiarity and longevity in the community and their exposure to redevelopment issues outside of Shaw. For example, several participants worked in the housing sector with nonprofit organizations. These participants were exposed to a wide array of development and community issues that spawn from gentrification and historic preservation. These experiences influenced their perceptions of the impact of the Whitelaw renovation and gentrification on Shaw.

The success of the Whitelaw renovation

The success of the Whitelaw Hotel renovation goes beyond the provision of affordable housing. The Whitelaw project successfully creates affordable units in an extensively gentrified neighborhood. Gentrified neighborhoods experience a greater shortage of affordable housing because market rate housing is too costly for low-income households. Likewise, the cost of land and housing shells are too expensive for nonprofit housing developers to acquire for the production of subsidized housing. In fact, one participant speculates that nonprofit housing developers are unable to do affordable housing projects in Shaw unless land is given to them because the cost of land is too expensive for these developers to acquire and operate within their budgets to produce subsidized units (Area homeowner 2001).

The production of affordable housing units in gentrified neighborhoods preserves a place for low-income households to continue living in these communities. For many reasons the preservation of this community group is desirable. The preservation of a portion of low-income households creates an element of economic diversity housing providers identify as favorable living environments.

Housing literature and public policy attest to the benefits of mixed-income communities. Literature states that the concentration of low-income households in separate areas does not improve the living environment (Whittlesey 1998, 239 and Massey and Denton 1993, 231). Programs such as Section 8 provide increased mobility for low-income households to find housing outside of public housing projects (Rosen and Dienstfrey 1999, 443). However, subsidized housing remains isolated in select neighborhoods. The Hope VI program, which provides federal funding for the rehabilitation of derelict public housing projects, is the Department of Housing and Urban Development's attempt to create mixed-income neighborhoods out of the failed public housing program. Program requirements include decreasing the overall density of housing units, decreasing the number of subsidized units in the project, and creating a mix of market-rate, subsidized, homeownership, rental, single-family, and multi-family units that establishes a lower density, mixed-income community where low-income households benefit from a more diverse living environment.

Hope VI is considered a success in regard to creating mixed-income communities. But public housing constitutes less than five percent of the total housing stock. Similar programs or partnerships between governments and nonprofits should be instituted in the nonprofit sector to increase the effectiveness of successful federally funded programs.

The Whitelaw project created economic diversity by providing thirty-five subsidized housing units in a neighborhood with housing prices that cater to upper-income households. One participant asserted that "one of the most important things [the Whitelaw renovation] has done is left an enclave of affordable housing in a neighborhood that is no longer affordable. So it creates the diversity that a lot of people that buy into that neighborhood wanted from the beginning" (Johnson 2001). If projects like the Whitelaw were not successful, then economic diversity would be lost in gentrified neighborhoods.

Minimizing the displacement of low-income households out of gentrified neighborhoods is another desirable outcome of preserving affordable housing. The Whitelaw renovation into affordable housing safeguards some units from substantial price increases that drive low-income households out of these neighborhoods (Marcuse 1986). As one participant alleges, "when there is no protection and people are priced out of their buildings not by choice then you start to have gentrification" (McGhee 2001). Lack of protection from escalating rents and property values heightens susceptibility to displacement for those households that are "priced out" of existing housing options.

Many people balk at claims of displacement arguing that displacement is a process that has been going on for centuries or that the percent of people displaced through gentrification is minimal. Recent research shows that nearly 200,000 households are displaced annually in the United States (Atkinson 2001, 151). The number may be insignificant as a whole but gentrification-induced displacement is typically confined to select urban neighborhoods (as is the process itself). The impact on the low-income population living in these neighborhoods is much more evident. Displacement caused by gentrification pushes many low-income households out of their current neighborhoods where housing prices have increased into more affordable neighborhoods in other parts of the city. LeGates and Hartman (1986) state that displaced households typically relocate within the same neighborhood or an adjacent neighborhood. These households desire to stay in the community or minimize the problems associated with moving such as becoming familiar with new transportation routes and public facilities. Projects like the Whitelaw help minimize the local effects of displacement because they preserve a place for lower income groups. "Buildings like the Whitelaw stabilize a slice of the economic pie" and provide housing for a group that otherwise would be forced to relocate to areas with more affordable rents (McGhee 2001).

Displacement literature describes the relocation patterns of displaced persons elucidating that low-income households attempt to live close to their former communities for several reasons including historic or familial ties and benefiting from community facilities. Affordable housing policy has been too generic in terms of the location of these units and has not taken the relocation patterns of displaced household into account. There are multiple local and federal programs that provide subsidies for the production of affordable housing or require developers to set-aside a percentage of units for low-income occupants. However, policy does not address the absence of affordable housing projects in gentrified communities.

More needs to be done to ensure the availability of land for nonprofit housing developers and to preserve housing for low-income residents in gentrified neighborhoods because they cannot compete with private developers for land. More government subsidies and programs are needed for land acquisition. Philanthropic programs that aid in land acquisition such as community land trusts are another means for increasing affordable housing in these neighborhoods.

Set-aside requirements preserve affordable units but these requirements are not location specific and are generally required of projects that produce a large number of units. Large-scale projects are not common in gentrified neighborhoods because of the scarcity of vacant land. A variation on set-aside requirements for gentrified neighborhoods may require developers to set-aside a percentage of the total units constructed in select neighborhoods for affordable housing, which would preserve an element of affordability.

Additionally, gentrified communities need to be more supportive of affordable housing. This can be accomplished through popular education, as Manna does in neighborhoods in which they work, on the advantages of economic diversity, mixed income communities and by clarifying that affordable housing is not an undesirable addition to communities.

Affordability and sustainability

The affordability of the Whitelaw units was called into question by some interview participants. Residents of the Whitelaw asserted that the affordability of these units were not based on what the residents could afford to pay and that, after accounting for utility expenses, many residents could not afford to live in the building. An interview participant that was also a former Whitelaw resident stated that lack of affordability was the main reason for moving out of the Whitelaw. Concern about the Whitelaw's affordability was raised exclusively by residents of the building. The other interview participants did not comment on the current affordability of the Whitelaw. Residents were testifying to the current exaggerated criteria for classifying low-income households by the local government since they know personally whether the Whitelaw was affordable for them. Non-resident participants in the study may not identify or immediately acknowledge the affordability concerns of residents.

The fundamental problem with housing development and provision is affordability (Drier 1998, 111). Federal, state and local subsidies combined are not enough to ensure affordability for all low-income households. The income criteria that determines eligibility for subsidized units is not always an adequate determinant as in the case of the District of Columbia. Housing activists identify the use of the metropolitan area median income instead of the median income for the District of Columbia alone as a significant problem in the provision of affordable housing to households that are most in need of financial assistance (Lazere 2001, B08).

The affordability of units should be based on households' financial means instead of on exaggerated income criteria. Providing adequate housing and keeping total housing costs within the financial means of low-income households is a crucial part of sustaining affordable housing. Policy needs to address the need to fill the gap between housing costs and household income through increased allocation of subsidies or, in the case of the District of Columbia, redefining the criteria for eligibility for subsidies. Higher area median incomes only creates increased competition for the current subsidies that should be directed toward the more vulnerable lower income households instead of households that are eligible for subsidies based on the median income but have substantially higher incomes.

The affordability of units also contributes to the sustainability of affordable housing and low-income households in gentrified neighborhoods. One participant discloses that many low-income residents have to move in with other family members or friends in order to keep housing costs affordable based on what they earn (Former resident 2001). If this is the case, then overcrowding and inadequate living conditions arise as problems for housing developers. Current criteria for eligibility should be reconsidered in order for affordable housing to be sustainable and beneficial for the low-income population living in gentrified communities.

The impact of gentrification on provision of low-income housing

The impact of gentrification on affordable housing provision had not been addressed specifically in gentrification literature. Research focusing on the policy implications of gentrification investigated whether policy decisions influenced the pace of gentrification (Gale 1980 and 1991) and displacement (Hartman 1979 and Atkinson 2001), and how policy had been influenced by gentrification (Smith 1996, Wyly and Hammel 1999 and Kennedy and Leonard 2001). Gentrification's impact on housing demand and values was a key component to literature (Smith and Williams 1986, Smith 1996). However, little was mentioned about how the process affected the production and provision of affordable housing in gentrified neighborhoods.

This thesis provides a basis for creating policy decisions oriented toward affordable housing provision because the data source is actual residents of a gentrified community. Community residents see how gentrification impacts their neighborhood physically and created difficulty in finding affordable housing in the neighborhood. This paper has found strong evidence that low-income households want to remain in the communities in which they live after gentrification has made the neighborhood unaffordable for them. Similarly, nonprofit housing developers and providers of housing suggest that preserving affordable housing in gentrified neighborhoods does more than simply provide housing to low-income households that could find more affordable housing in another neighborhood. The preservation of affordable housing in gentrified communities creates a mixed-income community that policy makers strive to create and allows the low-income population the opportunity to benefit from renewed community facilities and public services that come with gentrification. Literature needs to focus on how the provision of affordable housing for low-income households is possible in gentrified neighborhoods and how local housing policy can influence the affordability and sustainability of these units.

This paper exposed perceptions about gentrification by community residents and nonprofit housing developers inconsistent with the literature's description about neighborhoods' response to gentrification. Within the Shaw neighborhood, the gentrifyers and pre-gentrification population coincided with literature's description of these groups (Beauregard 1986). The gentrifyers in Shaw were generally "new middle-class" (Knox 1991) singles or couples moving from other parts of the city, other areas of the country and a few from the suburbs. The gentrified populations were low-income and working class minorities and immigrants as well as the elderly. One significant difference in Shaw is that many of the gentrifyers were black (McGhee 2001). While the 2000 Census revealed a fourteen percent decrease in the black population in Shaw and a five percent increase in the white population, neighborhood residents assert that black households constitute a significant portion of the gentrifyers. This could be contributed to the fact that the majority of the total population of Washington, D.C. is black and therefore the black population constitutes a greater percentage of the middle-class.

A surprising finding was that even though the demographic changes in Shaw were consistent with the literature, one interview participant, who was also a low-income community resident, felt that gentrification did not have a negative effect on the low-income population. The participant was a third generation resident of Shaw and viewed gentrification as bringing the neighborhood back to its position of prominence and prosperity in the city. She stated that the changes in Shaw benefited all residents regardless of income but acknowledged the financial constraints of low-income households because of increased housing costs. In addition to the private rehabilitation projects in Shaw, she asserted that the neighborhood benefited from the construction of the Metro station and other government investment in public services more so than other District neighborhoods (Former resident 2001).

The assumption based on literature is that the lower income participant benefits less from gentrification and is more vulnerable to displacement, which would seem a negative impact (Beauregard 1986 and Smith 1996). This lower income participant recognizes that Shaw is essentially unaffordable to low-income households and even states that in order for her to continue living in Shaw she had to move in with other family members to share housing costs (Former resident 2001). Ultimately, she asserts that Shaw is the best neighborhood in the city—the only one in which she will live because it is centrally located to downtown and commercial districts, the public transportation is the best in Northwest, and the community has a rich historic significance that is being preserved.

This participant's statements in regard to her satisfaction with the changes in Shaw, despite her increased vulnerability to displacement, is contrary to some of the literature describing the demographic changes identifying the gentrifyers as the benefactors and the pre-gentrification population as suffering the unwanted consequences. This participant saw nothing but positive consequences from gentrification in Shaw to the point of stating that gentrification has created a more mixed community, racially and economically, to her satisfaction.

The components that compose Smith's Revanchist City (1996) exist in Shaw: the largely white middle and ruling classes, the working class and low-income households that still constitute a significant percentage of the population, housing activists, community development corporations and nonprofit housing developers. However, in Shaw, the idea of the Revanchist City is less prevalent than Smith's New York City example (Smith 1996). Legislators and activists continue to debate over public policy that impacts zoning, the rate of development and housing production. The differences are the diminution of high crime and race-class based violence, area council members pushing for legislation to increase incentives and set-aside requirements for nonprofit and for-profit housing developers to produce affordable housing, an eclectic demographic composition of housing activists including minorities and young, middle class, whites, and lastly, a low-income population that views the changes in the neighborhood as beneficial for them.

Violence and frustration do exist in Shaw but neighborhood residents and organizations recognize the changes over the past decade as beneficial to the community. There is evidence that community groups are finding ways to deal with the negative consequences instead of responding with violence. For example, the Shaw Education for Action group has developed a street map of all the vacant and abandoned properties in Shaw to create an inventory of potential sites for affordable housing projects (Haiman 2000).

Another significant difference in Shaw is the work of nonprofit housing developers like Manna, Inc compared with for-profit developers. According to Smith (1986), housing developers are "production-side" contributors to gentrification. Nonprofit developers recognize that their work inevitably hastens gentrification in the neighborhoods in which they work (Dickerson 2001). The founder of Manna, Inc. states that their only regret is that they do not "have more money to do more projects" in these neighborhoods after gentrification arrives (Dickerson 2001). Manna employees regard their mission to produce and provide affordable housing to low-income households as a response to earlier decline and renewal efforts in neighborhoods such as Shaw. The organization is committed to this mission, even if it means others consider them contributors to gentrification.

The challenge and arguably the key to success in the provision of quality affordable housing for low-income households is to anticipate the impacts of gentrification, not just respond to change. Awareness comes through working towards communities that understand the potential impacts of gentrification, identify both the desired benefits and unwanted consequences of redevelopment for the neighborhood and recommend policy to achieve the benefits and avoid the unwanted consequences. Recognize that community leaders can be formed from all socioeconomic groups and the active input of all neighborhood groups is necessary to achieve a place for all community residents and to control the type and pace of development.

Gentrification does have an impact on the success and sustainability of affordable housing production and provision in gentrified neighborhoods. Literature has dealt with both issues independently with only minor connections focusing on policy implications. These links avoid the location decisions of affordable housing production that this paper investigated. With the help of local governments, housing activists, nonprofit housing developers and community residents, there can be a place for low-income residents in gentrified neighborhoods after redevelopment.

Appendix A—List of Participants

Group One

Jim Dickerson-	Founder of Manna, Inc. and Co-Director of the Whitelaw project.
Denise Johnson-	Project Manager of the Whitelaw project. Denise no longer works for Manna. She currently works for the National Trust for Historic Preservation.
Rozanne Look-	Current Director of Project Development.
Kenneth Simpson-	Director of Property Management for Manna, Inc. Kenneth was employed at Manna during the time of the Whitelaw renovation but has served as the Director of Property Management for the past three years.
David Haiman-	Community Organizer for Manna CDC.
Ronnie McGhee-	The architect for the Whitelaw project.
Dwight Reeves-	Director of Special Projects and the government advocate for the Whitelaw project.

Group Two

Area Homeowner-	Currently lives across the street from the Whitelaw. During the time of renovation he lived one block away from the Whitelaw on 12th Place. He was the liaison to Manna, Inc. for the Cardoza-Shaw Neighborhood Association to gather information concerning the Whitelaw project and was a supporter of the project. He has been a member of the Manna Board of Directors for the past two years.
Former Resident-	Resident of the Whitelaw from its opening in November 1992 until March 2001.
Current Resident -	Resident of the Whitelaw from January 1999 to present.

<u>Appendix B—List of Interview Questions</u>

The beginning and background information

- How did Manna become interested in renovating the Whitelaw Hotel?
- How did Manna get involved in the renovation project?
- Did the project have any problems in the beginning? What were they?
- What were the historic preservation issues?

Time period

- In what year did the project begin?
- How long did it take to secure the property for redevelopment?
- Who was in charge of the financing?
- How long did the construction phase take?

Financing the property

- How did Manna gain access/purchase the property from theD.C. government?
- How was the project financed (what types of equity)
- Who financed the project?
- How was the financing applied to the project?
- Is there any specific way that the financing was applied to the project—any stipulations?
- Do all residents receive a rent subsidy? What types of subsidies are provided?

Other players

- Who else, besides Manna, was involved in the project?
- What was Mann's relationship with the D.C. government prior to and during the project?

Local Government

- What is the D.C. government's current stance on providing affordable housing to its low-income population?
- What types of production-based programs/subsidies does the D.C. government currently provide?
- What types of consumer-based programs/subsidies does the D.C. government currently provide?
- What type of relationship does the government have with CDCs and other nonprofit housing developers in the city?

Advocacy of the Whitelaw renovation

- Prior to its renovation, was the Whitelaw a blight to the community from the government's point of view? How?
- What prompted the D.C. government to purchase the Whitelaw property in 1991?
- At that point, did the government have any plans for the property?
- Was the government involved in any of the planning and decision-making for the Whitelaw project?
- Did the government know or get involved in the controversy over the zoning technicality? How was that issue dealt with?
- What is the difference between the LAHDO program and the Land-Lease Program?
- The LAHDO specified that 9 of the units in the renovated Whitelaw building had to be for people at 50% of the Area Median Income. How was the LADHO program subsidizing these units?
- How does the city benefit through these two programs?

- What agency approves applications for the LIHTC?

Resident Selection

- How were residents selected?
- Does Manna try to house residents from the neighborhood in which the project is located or do they look city wide?
- Does Manna ever accept applications from outside the city?
- Who was in charge of locating and securing the first residents?
- What has been the rate of resident turnover since 1992?
- How long did it take to locate and arrange for the first residents?

Management

- What are the management responsibilities for the Whitelaw apartments?
- Does Manna or the Management company place new residents?
- Is there an on-site manager or resident liaison?
- What are the responsibilities of the resident liaison?
- Jim Dickerson mentioned that Manna had changed management companies. Have there been problems with the management of Whitelaw that prompted this change?
- Did residents express problems with the former Management company?
- Generally, does the Management company have a good relationship with the residents?
- When does Manna hear about resident problems and concerns?
- Do the residents address their problems and concerns to the Management company only or also to Manna?
- At what point does Manna get involved in the management of resident issues?
- Who is in charge of re-occupying units after residents move?

- How does that process work?

Tensions over the project

- Was there controversy over this project? What kind?
- How did the community react/respond to the project?
- Do you think that community activism had a tangible impact on the final outcome of the project?
- Did Manna make an effort to educate the community about affordable housing?
- Do you think that homeowners see affordable rental properties different than affordable homeownership properties?
- Do you think there is a difference in the public's perception of public housing and affordable housing?

Planning, Restoration and Redevelopment

- How did you decide to get involved with the redevelopment of the Whitelaw?
- What is the difference between restoration and renovation?
- Was the ballroom the only section that was restored?
- Why did Manna decide on three floor plans (i.e. one, two and three bedroom apartments)?
- Was the Park Service the only agency that needed to approve the architectural plans?
- Did you have any problems getting the restoration and renovation plans approved by the Park Service?
- Was there any community input on the architectural plans?
- What type of rehabilitation did the exterior of the property require?
- As an architect, do you consider how the use of one property may impact the surrounding neighborhood?

Community Input

- How long have you lived in Shaw?
- When did you move to the Whitelaw?
- What were your first impressions of the project?
- What were your first impressions of the completed project?
- When did you move out of the Whitelaw?
- Why did you move out of the Whitelaw?

Reactions to the Whitelaw Hotel renovation—"Speculation Questions"

- Was Manna pleased with the final outcome of the project?
- How did you feel about the completed project?
- Do you think this project successfully created affordable housing for the community?
- Do you think this development is sustainable as affordable housing? How?
- What do you think is the best means for providing low-income housing? (mixed-income, cooperative, rental, homeownership)
- Has the Whitelaw Hotel renovation influenced the look of the community (both physical and demographic composition)? How?
- In your opinion, how has gentrification impacted the Shaw community?
- Do you think projects like the Whitelaw Hotel renovation (affordable housing creation) influence the pace of gentrification?

Selected Bibliography

Atkinson, Rowland. "Measuring Gentrification and Displacement in Greater London," Urban Studies, 37 n.s.1 (January 2000): 149-165.

Babbie, Earl. The Practice of Social Research, 3[d] ed. Belmont, CA: Wadsworth Publishing Company, 1983.

Barr, Alison Jean. "The Historic Rehabilitation Tax Credit and the State's Role in Encouraging its Use" Thesis, George Washington University, 2001.

Beauregard, Robert A. The Chaos and Complexity of Gentrification, Edited by Neil Smith and Peter Williams, Gentrification and the City, Boston: Allen & Unwin, Inc., 1986.

Berg, Bruce. Qualitative Research Methods for the Social Sciences, 3d ed. Boston: Allyn and Bacon, 1998.

Bourne, L.S. "The Demise of Gentrification: A Commentary and Perspective View," Urban Geography, 14 n.s.1 (1993): 95-107.

Bratt, Rachael. Nonprofit Developers and Managers: The Evolution of their Role in U.S. Housing Policy, Edited by Ted Koebel, Shelter and Society, Albany: State University of New York Press, 1998.

Ceraso, Karen. "Eyesore to Community Asset," Shelterforce, 106 (July/August 1999): 18-21.

Clark, Eric. "The Rent Gap Re-examined," Urban Studies. 32 n.s. 9 (1995): 1489-1503.

Crew, Spencer R. Melding the Old and the New: The Modern African-American Community 1930-1960, Edited by Francine Curro Cary, Urban Odyssey: A Multicultural History of Washington, D.C., Washington, D.C.: Smithsonian Institute Press, 1996.

Cybriwsky, Roman. "Social Aspects of Neighborhood Change," Annals of the Association of American Geographers, 68 (March 1978): 17-33.

Cypress, Alicia. "It's Cardoza Shaw vs. More Fast Food," Washington Post, 22 October 1998, J01.

Deane, Daniela. “Going Upscale on U Street; Wave of High Priced Housing Developments Brings Praise, Concern for Once Blighted Neighborhood,” Washington Post, 24 March 2001, H01.

Dickerson, Jim. Personal Interview. September 24, 2001.

District of Columbia Government. 2001. <www.anc.dc.gov>.

Drier, Peter. Philanthropy and the Housing Crisis: Dilemmas of Private Charity and Public Policy in the United States, Edited by Ted Koebel, Shelter and Society, Albany: State University of New York Press, 1998.

Duke Ellington’s Washington. Produced by Stanley Nelson. 60 minutes. Hedrick Smith Productions, 2000. Videocassette.

Fears, Darryl. “A Fresh Approach in Logan Circle; Neighbors Unite to Lure Grocery Store, Encourage Rebuilding,” Washington Post, 28 May 2000, A01.

Fisher, Marc. “U Street Diner Reflects Changes In Booming Shaw,” Washington Post, 10 April 2001, B01.

Fleishman, Sandra. “Building a Block of Prosperity in Shaw,” Washington Post, 20 March 2000, F17.

Forgey, Benjamin. “Ringing in the Old: Preservation at its Best,” Washington Post, 24 September 1994, H01.

Gale, Dennis. “Impacts of Historic District Designation on Older Neighborhoods: Planning and Policy Implications," Journal of the American Planning Association, 57 (Summer 1991): 325-340.

________. Washington, D.C.: Inner-city Revitalization and Minority Suburbanization, Philadelphia: Temple University Press, 1987.

________. Neighborhood Resettlement: Washington, D.C., Edited by Shirley Bradway Laska and Daphne Spain, Back to the City, New York: Pergamon Press, 1980.

Gilliam, Dorothy. “LANDMARK,” Washington Post, 12 September 1983, D01.

Goode, James. Best Addresses, Washington, D.C. and London: Smithsonian Institution Press, 1988.

Gray, Jim. Personal Interview. November 02, 2001.

Guggenheim, Joseph. Tax Credits for Low Income Housing, 10th ed., Glen Echo, MD: Simon Publications, 1998.

Haggerty, Maryann. “How the Home Buyer Tax Credit Works,” The Washington Post, 01 November 1997, E16.

Haiman, David. Personal Interview. November 27, 2000.

Hall, Tim. Urban Geography, 2d ed., London and New York: Routledge, 2001.

Hecht, Bennett L. Developing Affordable Housing: A Practical Guide for Nonprofit Organizations, John Wiley & Sons, Inc. 1994.

“In the News,” Washington Post, 16 January 1992, J01.

Jargowsky, Paul A. Poverty and Place: Ghettos, Barrios and the American City, New York City: Russell Sage Foundation, 1997.

Johnson, Denise. Personal Interview. September 24, 2001.

Kass, Benny L. “D.C. Extends Tax Credit for First-Time Buyers,” The Washington Post, 27 November 1999, G06.

Keary, Jim. “Logan Circle complex opposed,” Washington Times, 21 December 1991, A10.

Kennedy, Maureen and Paul Leonard. Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices, A discussion paper prepared for The Brookings Institution Center on Urban and Metropolitan Policy, April 2001.

Knox, Paul. “The Restless Urban Landscape: Economic and Sociocultural Change and the Transformation of Metropolitan Washington, D.C.,” Annals of the Association of American Geographers, 81 n.s. 2 (1991): 181-209.

Koebel, C. Theodore. Personal Interview. October 03, 2001.

Koebel, C. Theodore. Nonprofit Housing: Theory, Research, and Policy, Edited by C. Theodore Koebel, Shelter and Society, Albany: State University of New York Press, 1998.

Koebel, C. Theodore. The Tortuous Path of Nonprofit Development, Edited by C. Theodore Koebel, Shelter and Society, Albany: State University of New York Press, 1998.

Koebel, C. Theodore. Responding to the Crisis in Nonprofit Housing, Edited by C. Theodore Koebel, Shelter and Society, Albany: State University of New York Press, 1998.

Lazere, Ed. “D.C. Plan Overlooks Its Neediest Citizens,” Washington Post, 17 June 2001, B08.

LeGates and Hartman. Essay from Gentrification and the City, Edited by Neil Smith and Peter Williams, Boston: Allen & Unwin, Inc., 1986.

Lees, Loretta and Liz Bondi. “De-Gentrification and Economic Recession: The Case of New York City,” Urban Geography, 16 n.s. 3 (1995): 234-253.

Lelen, Kenneth. “High-Rise Hopes and Basement Prices; First-Time Buyers and Working-Class Families Tap an Overlooked D.C. Market Segment,” Washington Post, 18 May 1996, E01.

________. “For Nonprofit Builder Manna, Two Milestones; In 15th Year, District Group Is Finishing Its 500th Home,” Washington Post, 04 October 1997, E01.

Levey, Bob. “65 Years Later, a Place Called Dunbar,” Washington Post, 20 April 2001, C07.

Lewis, Roger K. “Apathy, Solid Economy Keep Slamming Doors on Affordable Housing,” Washington Post, 16 May 1998, G12.

Listokin, David, Barbara Listokin, and Michael Lahr. “The Contributions of Historic Preservation to Housing and Economic Development,” Housing Policy Debate, 9 n.s.3 (1998): 431-473.

Look, Rozanne. “Re: Whitelaw’s Current Financial Status” Email November 08, 2001.

London, Bruce. Gentrification as Urban Reinvasion: Some Preliminary Definitional and Theoretical Considerations, Edited by Shirley Bradway Laska and Daphne Spain, Back to the City, New York: Pergamon Press, 1980.

Manna, Inc. Annual Report. 1999.

Manna, Inc. Annual Report. 1999.

Marcuse, Peter. Abandonment, Gentrification, and Displacement: The Linkages in New York City, Edited by Neil Smith and Peter Williams, Gentrification of the City, Boston: Allen & Unwin, Inc., 1986.

Mark, B.J. Personal Interview. November 04, 2001.

Massey, Douglas S, and Nancy A. Denton. American Apartheid, Cambridge: Harvard University Press, 1993.

McGhee, Ronnie. Personal Interview. October 19, 2001.):

Murray, Margaret S. "Low-Income Renter Housing: Another View of the Tough Choice," Journal of Housing Research, 8 n.s. 1 (1997): 27-51.

O'Conner, Alice. Swimming Against the Tide: A Brief History of Federal Policy in Poor Communities, Edited by Ronald F. Ferguson and William T. Dickens, Urban Problems and Community Development, Washington, D.C.: Brookings Institution Press, 1999.

Powell, Jacquelyn. "Whitelaw's Rise in Shaw; Subsidized Building Soars Like a Phoenix for Residents," Washington Post, 13 June 1998, F01.

Reeves, Dwight. Personal Interview. October 05, 2001.

Rose, D. "Rethinking Gentrification: Beyond the Uneven Development of Marxist Urban Theory," Environment and Planning D: Society and Space, 1 (1984): 49-73.

Rose, Harold. The Black Ghetto, New York: McGraw-Hill Book Company, 1971.

Rosen, Kenneth and Ted Dienstfrey. The Economics of Housing Services in Low-Income Neighborhoods, Edited by Ronald F. Ferguson and William T. Dickens, Urban Problems and Community Development, Washington, D.C.: Brookings Institution Press, 1999.

Ross, Nancy L. "The Whitelaw Is Back; A Historic Hotel Is Readied For a New Generation of Residents," Washington Post, 12 November 1992, T08.

Seidman, I.E. Interviewing as Qualitative Research: A Guide for Researchers in Education and the Social Sciences, New York: Teachers College Press, 1991.

Simpson, Anne. "Better Days Ahead For the Whitelaw; Metro Green Line, New Municipal Center May Restore Former Grandeur to Hotel," Washington Post, 18 September 1986, J01.

Simpson, Kenneth. Personal Interview. October 05, 2001.

Smith, Lynne. Personal Interview. November 02, 2001.

Smith, Neil and James DeFilippis. "The Reassertion of Economics: 1990s Gentrification in the Lower East Side," International Journal of Urban and Regional Research, 23 n.s. 4 (December 1999): 638-653.

Smith, Neil and Peter Williams, ed. Gentrification of the City Boston, London and Sydney: Allen & Unwin, Inc., 1986.

Smith, Neil. The New Urban Frontier: Gentrification and the Revanchist City, London and New York: Routledge, 1996.

________. New City, New Frontier: the Lower East Side as Wild, Wild West, Edited by Michael Sorkin, Variations on a Theme Park, Hill and Wang, 1992.

________. Gentrification, the Frontier, and the Restructuring of Urban Space, Edited by Neil Smith and Peter Williams, Gentrification of the City, Boston: Allen & Unwin, Inc., 1986.

________. "Toward a Theory of Gentrification: a Back to the City Movement by Capital Not People," Journal of the American Planning Association, 45 n.s. 4 (October 1979): 538-548.

Steinberg, Richard. The Theory of the Nonprofit Sector in Housing, Edited by Ted Koebel, Shelter and Society, Albany: State University of New York Press 1998.

Stoutland, Sara. Community Development Corporations: Mission, Strategy, and Accomplishments, Edited by Ronald F. Ferguson and William T. Dickens, Urban Problems and Community Development, Washington, D.C.: Brookings Institution Press, 1999.

Welcome to the Shaw Neighborhood. 2001. <www.shawdc.com>.

Whitaker, Joseph. "Once Elite Whitelaw Is Closing After Long Decline," Washington Post, 04 July 1977, A01.

Whitelaw Hotel…A Legacy Restored. Produced by Patricia Cook, 60 minutes Stage 2 A/V Production Services, c.1996. Videocassette.

Whittlesey, Robert B. Restructuring the Nonprofit Sector: On Lessons Learned from American and European Experience, Edited by Ted Koebel, Shelter and Society, Albany: State University of New York Press, 1998.

Wiener, Elizabeth. "Neighbors Register Opposition to Whitelaw Hotel Project," Washington Post, 02 January 1992, District Weekly 01.

Wilgoren, Debbi. " Housing Aid Sought for D.C. Poor," Washington Post, 19 June 2001, B03

________. "Scores of Housing Activists Beseech D.C. Council on Bills; Testimony Focuses on Williams, Catania, Cropp Proposals," Washington Post, 12 June 2001, B03.

________. "Housing Plans Shuns D.C. Poor, Critics Say," Washington Post, 08 March 2001, B01.

________. "D.C. to Move Quickly to Launch Downtown Revival," Washington Post, 15 November 2000, B04.

Williams, Brett. Upscaling Downtown, Ithaca: Cornell University Press, 1988.

Wyly, Elvin and Daniel Hammel. “Islands of Decay in Seas of Renewal: Housing Policy and the Resurgence of Gentrification,” Housing Policy Debate, 10 n.s. 4 (September 1999): 711-771.

________. “Modeling the Context and Contingency of Gentrification,” The Journal of Urban Affairs, 20 n.s. 3 (1998): 303-326.

Yeates, Maurice and Barry Garner. The North American City, 3d ed., San Francisco: Harper & Row, Publishers, 1980.

Yin, Robert K. Case Study Research: Design and Methods. Vol. 5, Applied Social Research Methods Series. Newbury Park: Sage Publications, 1987, revised edition.

Vitae

Patricia L. Renneckar

Patricia Renneckar was born in Alexandria, Virginia. She graduated from West Potomac High School in 1993. Patricia received her Bachelor of Arts in Geography from Mary Washington College in 1997. Afterward, she worked with a Land Surveying Company in St. Helena, California before returning to Graduate School in 2000. Her graduate studies gave her the freedom to focus on a variety of social issues including urban community development, social service provision in low-income neighborhoods, and the spatial arrangement of different socioeconomic and cultural groups in urban areas.