

Nonprofit seeks to revitalize Anacostia one blighted house at a time

By Scott Sowers July 7

Reeling from countless broken promises and botched deals, Anacostia's real estate market for much of the past has moved in fits and starts.

Now the Southeast Washington community seemingly is on a roll, with a variety of large-scale condominium, townhouse and commercial real estate projects transforming the landscape.

As Anacostia joins the list of suddenly hot neighborhoods around the District, some residents are concerned that the city is concentrating too heavily on big development and not enough on blighted blocks where many old homes are left to rot.

To address that issue, a local nonprofit is experimenting with a new approach that's decidedly antithetical to the way redevelopment is unfolding in much of the community.

Rather than tying development to profit, the group is happy to lose money. Rather than thinking big, it is focused on one home at a time.

And rather than build new, it hopes to move the community forward by preserving its past.

Officials at [The L'Enfant Trust](#), a historic preservation organization based near Dupont Circle, bought two blighted properties in the Anacostia Historic District as part of a demonstration project.

The trust acted as developer, renovating the houses and selling them at a loss — which is exactly what it intended. Officials say they want to replicate this approach throughout the community.

“These are historic properties that cannot be razed by law but are too expensive to reclaim if profit is the sole criterion,” said Lauren McHale, the trust's executive director. “Saving these irreplaceable historic treasures thus necessarily becomes a charitable effort.”

A short history

Anacostia got its name from the Anacostan Indians, who settled on the banks of the river. Developed as one of the first “suburbs” of Washington, the community was designed to be home to working-class people employed at the nearby Navy Yard in the mid-1800s.

Incorporated in 1854 as Uniontown, historic Anacostia initially housed predominantly white residents.

When public housing complexes were built in the early 1960s, many white and middle-class residents left the area for the suburbs. Over the years, the largely black community has struggled with poverty, crime and a lack of development.

But in recent years, development and redevelopment have blossomed in Anacostia and nearby Congress Heights. The projects include the Sheridan Station townhouses and condominiums, the Henson Ridge townhouses, the Uniontown Bar & Grill, the Anacostia Playhouse, Olivia’s Cupcakes, the Barry Farm Indoor Aquatics Facility and Ballou High School.

More projects are in the works. Reunion Square along Martin Luther King Jr. Avenue SE will add 1.6 million square feet of mixed-use buildings and include 124 market-rate and affordable apartments and six townhouses. The iconic “Anacostia” building on Good Hope Road is becoming a Walgreens. And the \$45 million 11th Street Bridge Park will include a public plaza, amphitheater, environmental education center and other attractions traversing the Anacostia River.

The development is pumping new life into the real estate market. For instance, the Anacostia Zip code of 20020 experienced the second-highest gain in the median price of homes sold in Washington in January to May 2016 compared with the same period in 2015. Prices jumped 28.20 percent, to \$289,998 from \$226,250, according to Rockville-based multiple-listing firm MRIS.

Historic preservationists in some ways represent the lunatic fringe of the real estate business. If you live in a historic district, they are the ones who dictate what color you can paint your front door and what kinds of windows you have to use — which can infuriate a homeowner trying to make repairs and stay on budget.

But if it weren’t for preservationists, Georgetown, Capitol Hill, Old Town Alexandria and Dupont Circle would not have the historic charm for which they’re known.

In the case of the demonstration projects in Anacostia, the trust invested more than \$300,000 in two homes that are generating tax revenue and occupied by two families.

The trust’s deeds

The trust acquired and fixed up one distressed house on 14th Street SE for \$112,000 and another on Maple View Place SE for \$125,000. Cody and Anne McNeal eventually ended up on 14th Street, while another young couple, Stephan and Riser Gerber, bought the house on Maple View Place.

“The trust rehabilitated two derelict, historic residential properties in Anacostia as a demonstration project to show the Anacostia community and the D.C. government that these vacant buildings could be rehabilitated quickly,” McHale said.

The trust in 2014 floated the idea of repairing blighted houses at various community meetings in Anacostia, seeking suggestions on fix-up candidates.

Dewey Sampson, 35, who attended a public meeting at the United Planning Organization on Good Hope Road hosted by local Advisory Neighborhood Commission representative Charles Wilson, raised his hand and suggested the house next door to his.

“It was terrible. There were squatters living in there and possibly some illegal activity,” Sampson said. “It was okay six years ago when I moved in, but it just got worse and worse.”

The trust took Sampson’s suggestion and bought the wood-frame house on 14th Street SE.

Rehabilitating the properties fell to architect Jonathan Kuhn, 46, who is based in the District. A personal reference led the trust to Kuhn, who immediately had doubts about the project. “I was hesitant, because historic preservation is not my specialty,” Kuhn said. “I was wondering how they were going to do this, because it would have been much easier to bring a bulldozer over.”

Bulldozers are kept at bay by the neighborhood’s historic designation, which makes it illegal to alter the basic facade of the homes, even when they are falling apart. The trust refers to a practice known as “demolition by neglect,” which spins properties down into a death spiral of “negative equity.”

Kuhn worked with builder Thomas Archer Contracting, based in the District, to bring the houses up to current code while remaining true to the historic integrity of the homes.

“We were directed to restore them in a historic manner, make them marketable, keep the small footprint with no additions and make the living space as best as we could,” Kuhn said.

The homes’ outcome

Both homes are relatively small, about 1,400 square feet, with three bedrooms and 1½ baths. There are no garages, wine cellars or in-law suites, but that didn’t matter to the McNeals. Cody, who is 33, works as an architect for Edens Development in Bethesda, Md.; Anne, 30, works for Deloitte as a consultant.

The couple had been living in the Ellington building on U Street NW, sharing 620 square feet for 3½ years. After they got married, they began looking for a house in the District and lost deals on seven homes because of bidding wars and escalation clauses. “The market was a lot hotter than we anticipated,” Cody said.

A connection through the Urban Land Institute alerted the couple to the trust’s homes in Anacostia, and they made the drive across the river to have a look at the one on 14th Street, which was still under construction. “I’d be lying if I said I didn’t have any trepidation about the neighborhood,” said Cody, referring to crime. “I’ve been in D.C. for eight years and know that the connotations are generally not positive.”

Despite their doubts, the couple tracked the progress of the house. When it came on the market, they walked through and said they were impressed by what they saw. “We could tell it was not a typical developer’s flip,” Cody said. “The objective was not to make a quick buck.”

The couple took a leap of faith and put in a successful offer with escalating clauses that ended on the odd number of \$377,000.

The property was originally listed at \$349,000.

The home sits as a rectangle with a front porch, a Greek Revival-style pitched roof and simple window trim. There is a shallow crawl space underneath and a small, fenced-in back yard.

The design team kept the basic room layout in place but widened the doorways, giving the ground floor an open-plan feel.

The room closest to the street serves as a dining room with the living room placed in the middle and the kitchen in the back of the house. The floors are hardwood, the ceilings are high and the lighting is recessed.

The kitchen features stainless-steel appliances, painted Shaker-style cabinets, a Silestone countertop and a subway-tile backsplash.

The couple is from California, and they’ve already added a deck in the back yard.

The next steps

After paying for the houses and the renovations, the trust lost \$138,741 on the house on 14th Street SE and \$228,746 on the house on Maple View Place, which was arguably in worse shape. “The whole back of the house was just gone,” Kuhn said. “But you can see the entire city from the second floor.”

Losing hundreds of thousands of dollars on a real estate deal is not sustainable, no matter how nice the view is.

The trust supports itself from “cash contributions from individuals, foundations, businesses — and in-kind contributions from vendors and building contractors,” McHale said. “We are also seeking contributions of historic properties owned by the city, often acquired as a result of a tax foreclosure or a condemnation proceeding, buildings which after many years of city ownership and inaction are now nearing collapse.”

She said she thinks the demonstration project can be ramped up and replicated.

“Revolving funds or real estate redevelopment programs are a common tool used by many historic preservation organizations around the country,” McHale said. “Our HPR [Historic Properties Redevelopment Program] is D.C.’s first. There are many more buildings in need in Anacostia, specifically those owned and controlled by the city government.”

The city’s role in the distressed-property business remains somewhat cloudy and is administered through the Department of Housing and Community Development (DHCD), which owns 151 vacant properties in the District, 69 of which are in Ward 8, and 10 of those fall into the Anacostia Historic District.

Community development or the lack thereof in Anacostia is a bone of contention.

ANC representative Wilson, 40, an attorney, said he is not happy with how the city is responding to blighted properties and the effects they are having on neighborhoods.

“We have been pleading with the District government for years,” he said. “We have never had a local politician be a champion, the ward has never really had an advocate and the people making the decisions don’t live here.”

Wilson and other stakeholders said they think the city is too focused on large-scale redevelopment projects while individual homes are left to rot.

Polly Donaldson, who has a long history of working for affordable housing, runs the Anacostia-based Department of Housing and Community Development. She was appointed to that position by D.C. Mayor Muriel E. Bowser (D) in January 2015.

“We’re not like some places, in that our property still has value,” Donaldson said in comparing D.C.’s problems with other major cities’ distressed properties. “We have to look at balancing the needs of a population that has been here for years against the needs of new arrivals.”

Meanwhile, Anne McNeal says the trust’s project has been a win-win for the neighborhood and her family. She said the mostly welcoming vibes of the neighborhood have pleasantly surprised her.

“There’s a sense of community here that we didn’t have in Northwest,” she said.