

# Public Interest

## Capital Manor

In 2001, Nerissa Phillips and other residents of Capital Manor, a 102-unit complex of three buildings at 15th and W Streets Northwest in Washington, D.C., were notified by the owner that the low-income housing would be sold. Fearing that upscale redevelopment would price them out of their homes, Phillips and other residents decided to buy the property themselves. While D.C.

law requires that current tenants be given an opportunity to match any purchase offer, the Capital Manor residents knew this would not be easy.

But Phillips had an idea. A Georgetown Law employee at the time, she approached the Harrison Institute for Public Law's Housing and Community Development Clinic, which over the last five years has helped preserve 1,500 units of affordable housing within 24 residential buildings in projects totaling \$140 million in development financing throughout Washington, D.C.

"This was an opportunity for some residents to become homeowners for the first time," says Professor Michael Diamond, associate director of the Institute. Teams of clinic students worked on the Capital Manor project over the next two years to help secure the acquisition, Diamond says. Under the direction of Diamond and other clinic attorneys, including former fellow Aaron O'Toole, they developed a range of funding alternatives and models to make the purchase possible. Like most of the clinic's clients, many Capital Manor residents were not financially well-off, and banks were reluctant to lend money for the project. The acquisition was never a sure thing until the tenants signed on the dotted

line in 2003. "The financing literally came together days before the tenants had to close," Diamond says.

The work didn't end there, however, as the complex was in dire need of repairs. Most of the project's \$12 million in development costs covered renovations of the three buildings inside and out. Students worked closely with the developer, who made improvements to the roof, windows, appliances, heating, wiring, security system and more. Students also helped residents displaced by the renovations find temporary homes. "There was a huge problem with relocation," Diamond says. "It was a massive undertaking getting that to work right."

Students also helped train the new owners on how to manage their buildings, conduct board meetings, keep financial records and otherwise run a cooperative, Diamond says.

Capital Manor, whose conversion was detailed in a three-part *Washington Post* series in December, 2005, remains not only a clinic client but also an inspiration to new students, Diamond says. The clinic held a class at the complex this fall.

"We preserved 102 units of affordable housing in an increasingly gentrified neighborhood," Diamond says, adding that only the cooperation of faculty, students and residents helped "make this project happen."



GREG LANGLOIS

One of the three restored Capital Manor buildings located at W Street Northwest in Washington, D.C.