

# The rent is too darn high for nonprofits, too

By Regina Hopkins



Gentrification is often considered a threat to the landscape of the District and its diverse and distinctive wards. It threatens the historic character of neighborhoods and can drive longtime residents from their homes and even the city.

One group especially hurt by gentrification is the District's well-developed network of nonprofits. Local nonprofits are already seeing fortunes dramatically reshaped by gentrification, and some have been forced to change the way they operate to respond to demographic shifts. Additionally, nonprofit facilities are being displaced by the rising costs of operating in the city.

The plight of the District's nonprofit organizations has been a focus of the [D.C. Bar Pro Bono Center](#). Working in cooperation with [Compass](#), a strategic planning and consulting firm for nonprofits, the Pro Bono Center surveyed D.C. nonprofits to assess the impact of gentrification and devise strategies to help local agencies sustain their missions.

The survey revealed serious and ongoing challenges. One nonprofit in Columbia Heights had to change its operations to reach Spanish-speaking clients who continue to work in the community but can no longer afford to live there. Another, located in Adams Morgan, had to open several branches to reach school-age clients who no longer live in the immediate neighborhood and cannot travel to Adams Morgan to take part in its after-school activities.

Certainly, the District's redevelopment has been a [boon to the economy](#) as new residents and corporations come to the city. The median [household income](#) has increased substantially, and the [city's racial and ethnic makeup has become more diverse](#). These changes present opportunities for nonprofits, providing new avenues for financial support and volunteer recruitment.

Still, the arrival of affluent people in the District has driven up rents, displaced nonprofit clients and sometimes caused conflict with legacy nonprofits doing business in newly rejuvenated neighborhoods. One nonprofit serving the homeless now has to spend significant time educating its affluent neighbors who recently moved into the area about the need for its services.

But gentrification does not affect nonprofits equally. There have been fewer conflicts in transitioning neighborhoods for child-care and arts-education programs. Organizations that serve homeless people, people with mental illness or recently incarcerated clients have encountered severe hurdles.

Larger nonprofits have been able to hire consultants to guide them through development-related hurdles, but smaller ones have suffered.

For example, rising rents have forced [several nonprofits that assist victims of domestic violence to cut back their transitional housing and rent subsidies](#) for clients who have fled abusive relationships. This reduction in services has come at a time when the number of domestic violence-related calls to police has increased from about 31,000 calls in 2011 to 34,966 calls last year.

What must be done? Pro bono legal assistance is important to help nonprofits of all sizes deal with the legal challenges created by gentrification, including purchasing space, securing financing for the construction of new facilities and negotiating lease agreements. While good legal assistance mitigates the impact of gentrification, it does not address the far-reaching economic and social costs to D.C. nonprofits and their clients.

The District government has provided funding to many nonprofit groups that provide essential services for residents, yet it has not always fully recognized overhead costs. For example, if a nonprofit starts an after-school program, the District may fund direct costs for running the program, but it does not always fully fund the program's share of the cost of keeping the nonprofit open: rent, computer systems, insurance, accounting fees and the salaries of administrative staff. Even more significant, it doesn't provide assistance to nonprofits to meet the long-term challenges of continuing to operate in the District.

Additional support could take many forms: providing guaranteed funding for general operating expenses in all nonprofit grants, similar to what the federal government provides, and funding planning grants and moving expenses for nonprofits forced to relocate.

The timing of this effort is particularly advantageous given the work being done this fall on the [Comprehensive Plan](#) by the D.C. Office of Planning, which is amending the document that outlines the District's strategy for future commercial and residential development. Nonprofits and their clients must be heard and considered in the deliberations on the amendments to the plan.

Many cities do not enjoy the level of nonprofit support found here. The District government, the funding community and the general public must face up to the peril posed by gentrification to D.C. nonprofits and act swiftly to address it — or risk losing vital nonprofit organizations in the face of ongoing development.

*The writer is staff liaison with the D.C. Bar Pro Bono Center.*

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