



THE RUTH ANN OVERBECK
CAPITOL HILL HISTORY PROJECT

Interview with Hugh Kelly

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TAPE 1/SIDE 1

DEUTSCH: It is March 10, 2006. I'm with Hugh Kelly at my house at 500 East Capitol Street. And Hugh, why don't you just start telling me what brought you to Capitol Hill originally.

KELLY: It was very, very accidental. I was a graduate of Columbia Law School. I had just gotten a job here as a trial attorney at the FTC, needed a place to live and I could not believe how inexpensively you could rent a house here on Capitol Hill. I ran across it, stumbled across it. You know, that you could have a two-bedroom, bath-and-a-half house with three working fireplaces for renting \$155 in—on the 300 block of Mass[achusetts] Avenue. So, that was, it was strictly accidental roofing. Accidental roofing.

DEUTSCH: Ah, so you moved here accidentally and how did you get involved in real estate, what ... ?

KELLY: It was accidental also. I came here as a trial attorney at the FTC, and I was there for seven years, something like that, and then I got to—I went—I made a side move to the Senate. I was an “AA-er” as they call them now, a Chief of Staff for a senator.

DEUTSCH: Which one?

KELLY: Senator Burdick from North Dakota, sort of a progressive Democrat. And so then at this point I'd had 14 years of federal service and I decided well, I may as well, if I, unless I continue farther, I'll probably always be in the federal service. So I took a side step. I had met a number of people in real estate and, so that's how it came about. I always liked the houses here, more than anything. More so than, it wasn't, I wasn't people-drawn, it was house-drawn.

DEUTSCH: [laughs]

KELLY: I had already made a little bit of—I had made a couple of transactions by that point, sales transactions where I made some money. You know, you offer me \$50,000 on a house and I will sell this house to you. So I did it.

DEUTSCH: So did you—did you go with a firm, or ...

KELLY: Yes, with a wonderful firm called Houses on the Hill. And, where everybody was a broker, everybody was into pretty houses. It was a good place to ...

DEUTSCH: Was this in the 70s, early 70s?

KELLY: This would have been in the early 70s, right. And I remained friends with, you know, a number of those people even to this day who stay in real estate or are on the fringes of it.

DEUTSCH: And what were the high points of your time with them, what were the big issues on the Hill?

KELLY: Well actually as an issue it is so ironic I should be sitting here in your living room because the big issue was tearing down Mary's Tea Room [ed: Mary's Blue Room].

DEUTSCH: I knew that's what you were going to say.

KELLY: And I was here the morning that they tore Mary's Tea Room down. Which this house was built on the site of the old, I believe I'm right.

DEUTSCH: You are absolutely right.

KELLY: That this very house was built on the site of the Mary's Tea Room. It was made room for parking I guess, for the church [ed: Capitol Hill Baptist Church, Fifth and A Streets NE].

DEUTSCH: Yes.

KELLY: And um,

DEUTSCH: That was the first issue that brought a lot of people together.

KELLY: Well, I had of course been living on the Hill at that point and I was not in real estate but I had a lot of friends who were in real estate and, I mean, there were some people who [phone rings in background] ah, don't worry about it—who at least symbolically were throwing themselves in front of the tractor before the tea room was torn down. Tea room, that sounds kind of odd now, but they used to have tea rooms where you would go and have tea and coffee.

DEUTSCH: Yeah. I've also heard it called Mary's Blue Room.

KELLY: I have too, now that you mention it. But, Mary's Blue Room, you're right, I don't know why.

DEUTSCH: I've heard this story before.

KELLY: Had you?

DEUTSCH: Yeah. It was obviously a key moment.

KELLY: No, it was for me, and until that point I had just sort of taken the Hill for granted, and being from New York City and being from a small town in North Dakota where they never pay attention to those kinds of issues, and in New York they don't pay much—nobody was paying attention anyplace, to these country—maybe there were some small towns in New England that did it, but not around here for sure, I don't think.

DEUTSCH: So that kind of got the attention of the preservation-minded.

KELLY: I think so, I think so yeah. It did me and like-minded friends.

DEUTSCH: And how did it go from there? Was it sort of an obvious [cell phone rings]

KELLY: Don't worry about it. Well from there it went very slow I mean, I didn't really, then there was a huge hiatus during our, you know, I just went back to my ways working in the Senate with my friends and everything. And then I did not really become a part of the powers-that-be, in terms of the preservation movement. But I was supportive of them but I was not, formally involved with them, with the Dick Wolfs of the world.

DEUTSCH: Uh huh.

KELLY: But it's funny, the Wolfs, uh people, are probably among my oldest acquaintances on Capitol Hill.

DEUTSCH: Does it go back—

KELLY: I knew Muriel Wolf beginning back in 1962 because of a friend she knew in Georgetown and she had known from West Hartford and I happened to know from Georgetown and it was a very small world.

DEUTSCH: So as a broker, what were the things that you primarily put your attention in, in terms of the community and the—

KELLY: I don't know, you keep saying "put my attention to in terms of the community." It really wasn't so much putting it into the community as such. It was really a matter of selling pretty houses. And I'll tell you, real estate was a lot more fun back then than it is now. It was a small group of people, they were doing pretty houses, they were having fun together, they I don't know, and it wasn't just the group, the firm that I was in, it was across the—it was a whole little cottage industry. It was our only industry. I suppose it still is in a way.

DEUTSCH: But it was different from the way it is now in that the Hill was kind of a, it wasn't the big time neighborhood that it is now.

KELLY: No, absolutely. That was one of the things that I was involved in, was the trying to make the Hill more accepted if you will, by the rest of the city, by the rest of the region and by the city. And not that it—it wasn't even necessarily from a financial standpoint but it was to get a wider regional acceptance of the Hill, which is we have definitely gotten there now. But it took forever to ... Everybody

was excited that we had this great secret up here, what a wonderful place this is, and it was really great, it was a wonderful little secret—until you went to sell your house, and then the only person you could sell it to was the guy across the street because he’s the only one who wanted to buy it, because he’s the only other person who had heard about Capitol Hill.

DEUTSCH: Right.

KELLY: So it was a little bit, I’ve never known how to and you’re going to kill me on this one, so I’m not going to use the word. So, but anyway it was a very kind of closed society if you will. And then people eventually began to realize that this is not good for anybody. And then things about the Hill started being recognized by the rest of the city and they decided “this is a good place to live. It’s not just because we can’t afford Dupont or Georgetown, it’s because the Hill has value in and of itself.” Once we got that point across to the city—

DEUTSCH: What were the milestones in that? What were the things that made that happen?

KELLY: That was, that was the really tough sell. I suppose it was really borne, b-o-r-n-e, of (that’s not correct) of necessity where people literally, there were a lot of people who could not afford Georgetown or Dupont, and so would live up here and would find out hey, this *is* kind of neat. Hey, you *can* raise a family up here, who would have think it. And then so the realization—the, the—of what was doable here finally caught up to the perception. That’s where I was trying to take this whole thing.

DEUTSCH: Yes.

KELLY: People experienced it, then they spread the word. Then they couldn’t not spread the word because their friends came and saw. I came, I saw, I liked, I blabbed. And so that’s where we went—we’ve gone that way tremendously now. Now the momentum is, I call it we are now a destination, marketplace. We never used to be a destination marketplace, we were an alternative marketplace. If you couldn’t go one place, you know, you would come end up on the Hill. And I’m sure you saw that with many of your friends.

DEUTSCH: Mm hmm. Well actually, when my kids were in school in Northwest—

KELLY: Right—

DEUTSCH: A lot of their parents thought ew, why do you live up there...

KELLY: Oh, they wouldn’t even, I bet they wouldn’t even let their kids come to birthday parties.

DEUTSCH: Yeah, they thought it was a little weird.

KELLY: I mean, I'm sure they did. Honestly Stephanie, I tried so hard within the real estate community and with friends—I had an awful lot of friends in Northwest—in fact most of my friends could have—might have been in Northwest. But I know there was one, I tried so hard to make the Hill a more acceptable place to consider selling real estate to more and more people. I—one day I had a luncheon for a Northwest brokerage, a smaller kind of boutique Northwest brokerage, and I paid for a limousine to have luncheon—to have their agents brought over and to show them houses, not my listings but just houses generally on Capitol Hill. To let them see how much house they could get for the money on Capitol Hill, and how pleasant it was. And I even, it was at the Capitol Hill Club, this does not bespeak my politics, but it was cheaper membership than the Democratic Club. And, you take them for lunch, nice club, all of the above, and let them see how really pleasant it was to live on the Hill. And little trips like that that, you know, I'm not sure they ever paid off, but I suppose one little effort eventually pays off. So, that's really what it was, was just chipping away at peoples' exposure to the Hill. And didn't it make you feel—didn't it tick you off when your friends...

DEUTSCH: Yes.

KELLY: I mean, it would just tick me off, it would just, I would think, you don't even know what you're talking about.

DEUTSCH: Well yeah, it did tick me off. They'd sort of say, why don't you live where normal people—

KELLY: Where you're supposed to, yes. And I would say, especially because I came from a small town in North Dakota I would say because, it's like where I came from and I'm very pleased with it.

DEUTSCH: Well I'd like to talk about that.

KELLY: Sure.

DEUTSCH: You come from a small town in North Dakota?

KELLY: Mm hmm, I do.

DEUTSCH: What is it, what's the name of it?

KELLY: It's called Devil's Lake, politically incorrect.

DEUTSCH: Devil's Lake, I like that. Devil's Lake, South Dakota.

KELLY: North Dakota, North Dakota, North Dakota, no problem. One of nine kids.

DEUTSCH: One of nine kids, wow. Where did you come in the—

KELLY: Third from the bottom.

DEUTSCH: So, big family. What did your parents do?

KELLY: They had a small women's clothing store. Everything was small there. It was a town of about 7,000 people. Which made it the tenth largest in North Dakota.

DEUTSCH: So, what was it like growing up there?

KELLY: I mean, it was wonderful. I mean, it really was. You didn't think about it. As a parent it must have been glorious. You just open up the door in the morning and the kids left and you didn't see them again until six o'clock at night. I mean, the town raised the kids. I supposed that's lesser today than it used to be, especially because the town is half as large as it used to be. But it was a ferociously unpleasant place to live during the winter time. I mean, it was 20 below, it was windy, it was the tundra.

DEUTSCH: Were your parents both from there?

KELLY: Yes, yes, they were both. And as the kids got older my mother became more and more career minded. She started going to New York and doing—it was kind of fun—doing fashion shows and things like this. And she really was into that part of the business. So I was able to go to New York a lot as I got older. And I was always an “eastern kid” rather than a “western kid.” Most people there were oriented to the west. I was definitely oriented to the east.

DEUTSCH: So when it came time to go to college did you come east?

KELLY: I was a little snotty kid. I went to an Ivy League school.

DEUTSCH: Where did you go?

KELLY: I went to Dartmouth. And this was not typical, I'll tell you. Everybody wanted me to go to the University of Minnesota.

DEUTSCH: Is that where your sisters and brothers—

KELLY: That's where my dad went, and my mother had not gone there but she had gone, you know, Midwest for school. It was unusual for a woman to go to school at all.

DEUTSCH: But you wanted to go, to come east.

KELLY: I definitely wanted to come east. And then I went to law school so ...

DEUTSCH: So how was Dartmouth?

KELLY: It was a huge mistake.

DEUTSCH: [laughs]

KELLY: Huge mistake, huge mistake. It was this little, I mean it was worse weather than what I had left behind. I was a little snotty kid ...

DEUTSCH: You probably visited in the spring.

KELLY: Well, I went back and forth a lot. [pauses] No, I went back and forth a lot. I enjoyed it.

DEUTSCH: And what did you study at Dartmouth?

KELLY: English major.

DEUTSCH: And then straight to law school?

KELLY: Oh no, oh no, I never did anything right. Then I didn't really care for—this really makes me sound snotty but anyway—I went to the University of Minnesota for a couple of years and then I went to Oxford in between.

DEUTSCH: Did you graduate from Dartmouth?

KELLY: No, I ended up graduating from the University of Minnesota. And then I went—

DEUTSCH: And then you went to Oxford?

KELLY: Mm hmm, mm hmm. Just for a total of about a year or something like that.

DEUTSCH: That must have been wonderful.

KELLY: It was very exciting. It was very exciting. And I made up—what I had lost, I made up in school—at Minnesota, I made up in Europe. And that was a great thing for this little snotty kid from North Dakota.

DEUTSCH: So what did you study there? English?

KELLY: English. Yeah, 17th century English.

DEUTSCH: Mm. That's the place to do it.

KELLY: Most of which I can hardly remember now. And then when I came back here, then I did go to Columbia Law School and I stayed there for one pop.

DEUTSCH: And came here and worked in government.

KELLY: As a trial attorney, yeah. I don't think I was really made out to be a trial attorney. That's the shortfall I think, on that one. It just wasn't my persona. The law period, I don't know. Because I never missed it once I decided not to do it. I missed all the money my friends were making, but [pauses] But the glamorous world of real estate called, and here I am.

DEUTSCH: And do you still have family in North Dakota?

KELLY: I have some. I have a brother and his wife in Grand Forks, North Dakota. Remember the big flood of a few years ago, that's where they all live. And I'm very very lucky. My family had a summer home on a lake in northern Minnesota and my sister still owns that house. She lives in Minneapolis. And when I sold my share in it to her I bought a small house myself on the same lake.

DEUTSCH: Lake Superior?

KELLY: No, this is Lake Bemidji.

DEUTSCH: Can you spell that for me?

KELLY: B-e-m-i-d-j-i. It's one of those things that Frank Reed and I have in common. He knows Lake Bemidji.

DEUTSCH: [laughs] OK. Do you still have a house on Lake Bemidji?

KELLY: I currently do. I have a brother and I have two sisters with a house. I have a niece and a nephew. So it's a wonderful place to have—anyplace where you can have a summer complex with an extended family, you are blessed.

DEUTSCH: Yes, absolutely.

KELLY: You are very blessed.

DEUTSCH: So you go up there every year?

KELLY: Yes, yes. And I have 17 nieces and nephews with whom I get along, well, with most of them. And so it just enhances my life tremendously.

DEUTSCH: Oh, that's so nice.

KELLY: Isn't it though? Do you have that kind of a situation?

DEUTSCH: Yes I do. I have three sisters and they all have children, and the nieces and nephews, several of them have lived with me.

KELLY: Oh really? Where? Here or elsewhere?

DEUTSCH: In this house.

KELLY: Do you have a ... I saw Nantucket someplace.

DEUTSCH: Yeah, we have, my husband grew up spending all his summers in Nantucket. So when we moved in here we had our three children and one of our nieces lived with us. And then we've had ... it's nice.

KELLY: An extended family is something. I feel sorry for the people that don't have it. I really do.

DEUTSCH: So you were here during the riots I guess.

KELLY: Oh. I bought my first house during the riots, basically.

DEUTSCH: During the riots?

KELLY: Well, during the riots, it's a hard thing to say, but I think I bought them right afterwards. It's a house that I paid \$28,000 for, which is now a friend and colleague now owns it, Judi Seiden happens to own it now.

DEUTSCH: And it's worth a lot more.

KELLY: It's probably worth, I know it's worth upwards of half a million. Wish I had hung a ... I lived in a lot of houses on Capitol Hill, as many as 25 or 30. I wish I owned them all still.

DEUTSCH: Now did you yourself renovate them?

KELLY: Some, some. Not too many but there were some.

DEUTSCH: So how did that work?

KELLY: You'd buy a little shell. Being in real estate, especially the company I was in, well everybody was doing it. They'd go and look for a little shell to renovate and buy for \$25,000 and then restore it and hope to sell it for \$60,000. And that's how the Hill is what it is.

DEUTSCH: And what would you say were the prime years for that, when that was happening?

KELLY: Let me think. The 70s. The 70s at some point, yeah. It was for me anyway.

DEUTSCH: And then it kind of fell off?

KELLY: Well, depending on interest rates. I tend to not keep it straight as to what years it was.

DEUTSCH: So you got used to moving.

KELLY: I had a mover on retainer. Mr. Hayward. I also had a very large Steinway grand which I had managed to buy and so whenever I needed that piano moved Mr. Hayward would come and move it for me and there was also a chest that the leg fell off, and he knew where the leg was for it. It was kind of fun.

DEUTSCH: Do you play the piano?

KELLY: Yes, yes.

DEUTSCH: Is that something you grew up doing?

KELLY: Yeah, and then as I got older, I became pretty serious about it. That was one of the good things about a down real estate market. You would end up with a lot of time on your hands. I had a very very decrepit house in West Virginia with a beautiful piano in it. And so I would run out of real estate activities and I would spend a lot of time playing the piano in West Virginia.

DEUTSCH: Do you still have that house in West Virginia?

KELLY: No, and I don't have the piano either. I'm the only real estate broker you know who lives on a boat.

DEUTSCH: You do live on a boat? Really?

KELLY: Mm hmm.

DEUTSCH: Now tell me, where is the boat?

KELLY: The boat's down at the Washington Harbor here in Washington. And it comes out kind of a weird picture, doesn't it.

DEUTSCH: [laughs] No. 25 houses, living on a boat?

KELLY: You know, that's my kind of real estate guy, right.

DEUTSCH: What kind of boat is it?

KELLY: It's a 52-foot motor yacht and you can't—I had an electronic piano on it, full size electronic piano, but I don't have it on this boat. This all came up, you can't have a good piano on a boat.

DEUTSCH: I wouldn't think so. Certainly not a Steinway.

KELLY: No. And it was not a small one either.

DEUTSCH: So how long have you been living on the boat?

KELLY: 17 years.

DEUTSCH: Those 25 or 30 houses were squished into like, 20 years.

KELLY: Right, right, they were. Because of all these houses I've lived in, still I haven't lived anywhere as long as I have lived on a boat actually. I've lived there as long as I lived in a house with my parents actually, almost.

DEUTSCH: So what are the disadvantages to living ... What are the advantages of living on a boat?

KELLY: The advantages to living on a boat is, it's a wonderful environment to wake up in the morning and see a duck paddle by or sit in the salon and just watch the world go by. It's very special. The downside is that it's a very strenuous life. I mean it's a lot of work.

DEUTSCH: A lot of work to keep the boat up?

KELLY: A lot of work to keep the boat up and to, the winter now, we're just, thank God, pulling out of the winter. I should also mention to you I have been quite ill. I've been very ill. So that's not the place to be seriously ill, on a boat. In fact, I am currently just renting a furnished house down the block here, 702 East Capitol. So I haven't been living on the boat since last fall. But anyway I have been living on a boat, I mean, one of very few I guess that have done this, especially real estate brokers.

DEUTSCH: Yes.

KELLY: People say well, what causes you to do that and I said I don't—and she'd say I knew somebody who lived on a boat for a year and I'll say yeah, and I'll bet they were either there on, they're going through a divorce, or they're going through—or they're on parole, or there's something ... Everybody who's lived on a boat for a year—

DEUTSCH: Has a story?

KELLY: Has a story. Exactly, that's what it is.

DEUTSCH: But you're just a person who—

KELLY: Well I started out that way too I guess, I don't know, but I just did it because I accidentally fell into it. I just, maybe it's coming from the Midwest and the wheat fields and on my mother's side they were all farm people and I mean, it was so desolate out there. It was Christina's World [ed: famous painting] through and through and I just, I guess I didn't care for it.

DEUTSCH: It's a hard life.

KELLY: It's a very hard life. And the option—the alternative of having a boat was just, it's just, it's not a passive thing, but it's something I really enjoy. In the same way that I enjoy, you know, there's something about Capitol Hill that has caught me as well in terms of this small town in the middle of a big city. To me, that entitles you to be very very smug about the way you live. I think.

DEUTSCH: I can't tell you how many people have said almost exactly the same thing.

KELLY: Really?

DEUTSCH: Yeah. They say the small town in the middle of the big city.

KELLY: And once you understand that, it's just, it's very special. You develop a sense of entitlement about how you live that other people in the metropolitan area don't get.

END OF TAPE 1/SIDE 1

TAPE 1/SIDE 2

KELLY: No, I'm sure that you continue to have friends in the large city, in New York and stuff like that, and don't you feel smug about living ... it's even different from living in the Village in New York. I mean, it's much more a small town. It's much more cohesive. And that gives you a very special outlook.

DEUTSCH: What do you think contributes to that sense of cohesion?

KELLY: People. I think it's the people who have been aware of it. The residents. Once you get a few people understanding that this is really plenty neat, then you find people who cherish it and work to maintain it and to keep it alive. I think it takes a few people understanding the importance of it to begin with. And then it sort of takes off.

DEUTSCH: Yeah. Are there institutions that you particularly see as having helped that process along?

KELLY: Of course the [Capitol Hill] Restoration Society has always been at the forefront of this from a physical standpoint. But in addition to that I think it's more just the "person on the street" phenomenon. But additionally, you know, it's the [Capitol Hill] Arts Workshop, it's the schools, it's the institutions that have real life in them, that are really peopled, that I think has made it extremely viable. And now, I mean, the magnet school, it's sought after. All the schools, they're sought after. People want to live on Capitol Hill. This has been going on for some time now.

DEUTSCH: Lining up to get their kids into ...

KELLY: Yeah, into the school of choice. So it's amazing. I don't have any children but I can certainly see that it would be a great place to raise a child. How old are your kids?

DEUTSCH: My oldest is 28, 25, 22. And the 28-year old lives in Brooklyn, which he says—

KELLY: Brooklyn Heights?

DEUTSCH: No, Park Slope. But it reminds him of the Hill.

KELLY: Sure.

DEUTSCH: And I think they now all really appreciate having grown up in a nifty neighborhood.

KELLY: No, now you find kids, by that I mean, you know, people who have graduated from college, and have already finished college and they realize what a special experience they've had compared to their colleagues at these other schools. You know, where they've had the entitlement of living their entire life in an urban environment, where it makes sense. Where they know they have a tremendous diversity of background. I mean, you know, everybody else I'm sure, of your—well that's probably not true—but your kid's friends, I bet they're all pretty ordinary, a lot of them, in terms of what they've experienced and whatever. Your kids probably are different in that regard.

DEUTSCH: But I think, I mean I spent part of my childhood living in the suburbs in Arlington, so I'm very aware of how different that is.

KELLY: Sure well that's what I'm talking about.

DEUTSCH: You can't go anywhere unless you have a car, and there's nowhere to go anyway. There's nothing to do.

KELLY: And parents are always waiting around, you know, to haul their kids around.

DEUTSCH: So yeah, I think they do find that when they start telling their friends about what their neighborhood is like they're sort of surprised how different it is. Anything else?

KELLY: Well, this is an aside. I forgot to do it and I'll try to have somebody bring it over. I was involved in the construction of these houses that you're in.

DEUTSCH: Really.

KELLY: Well I mean, I was the listing agent when they were ... and I have a beautiful etching of this house and I was going to bring it over to give it to you and I forgot to do it. But I will see that you get it. It was very special. This house is quite special.

DEUTSCH: Oh, it is.

KELLY: I mean, look at these floor to ceiling windows for God sake, I mean, it's a nice bright day but even on a grim day it would be very special.

DEUTSCH: We love it. This kind of sweep through here.

KELLY: Yes. You don't get it very often. You just don't get it very often. And the size, the scale of those windows. It's very nice.

DEUTSCH: Yeah. This is dramatic.

KELLY: Well I don't think I have anything to add, but I'm very close to a telephone. I still do telephone.

DEUTSCH: Yeah, well I have your telephone and your e-mail.

KELLY: OK, OK.

END OF INTERVIEW