

Concerned Lenox Residents and UFAD Present: A PRIVATIZATION FACT SHEET

1) What is privatization?

- Privatization is when **the government transfers the ownership and management of public housing to private companies**. Because public housing is under-funded and neglected, they are able to justify privatization by saying that selling it off is the only way to afford necessary repairs.
- This is a way for the government to give **handouts to big corporations**. Now, instead of paying rent to the Boston Housing Authority (BHA), you are paying it to Beacon and Bank of America, and then **BHA pays them the difference** between what you pay and the huge rents they set (\$3,390 for a 3 bedroom). The private companies suck up even more money from taxpayers through tax credits and subsidies.

2) What is happening at Lenox?

- BHA sold Lenox to Beacon Communities and Bank of America.ⁱ **Lenox is no longer public housing**. Instead the units now have section 8 project-based vouchers (PBVs).
- BHA used the “Demo/Dispo” section of Housing Law to privatize Lenox. They originally were going to use something different to privatize, not the Demo/Dispo. They changed their plans in 2020 to use it.ⁱⁱ
- Demo/Dispo **has even fewer tenant protections** than what they originally promised. In the long run, there is no guarantee that Beacon will keep its Section 8 housing, and it could **convert apartments to market-rate rent**.ⁱⁱⁱ Residents were not told about the switch to Demo/Dispo, nor told about the rights they would lose because of this switch.
- This is part of a larger **pattern of gentrification** in the neighborhood. The government and corporations are working hand-in-hand to **push working people out** of the area so that the corporations can make money off of wealthier residents and bougie coffee shops.

3) Privatization can make the rents go up immediately.

- Beacon promises "permanent affordability" with rents at 30% of income, but **this is nothing more than a promise**. Overall, many residents end up paying more in rent after privatizations. **At least 57% of tenants had faced a rent increase** after a privatization similar to Dem/Dispo.^{iv}
- Already, **some residents at Lenox have had their rents increased**. Those that have pushed back have been told that management “made a mistake.” If residents don’t fight back, management is sure to make many more “mistakes” of this kind.

4) Section 8 Project Based Vouchers are different from Mobile section 8.

- The Project Based Voucher is tied to Lenox, you cannot use it for another apartment if you choose to move.
- After 1 year using Project Based Vouchers at Lenox, Beacon claims they can put you closer to the top of waitlist for a mobile voucher **if you are in “good standing”** meaning you follow all their rules. But who can be in “good standing” with rules like “kids can’t play outside”?
- There are 40,000+ households on BHA waitlists. The waitlists are so overfull that mobile vouchers applications are currently closed for new families.^v Even if you get a voucher, many people don’t find apartments quickly enough and lose the voucher. One California study found that this happened to 64% of voucher holders.^{vi}

5) Is it too late? Can the privatization be stopped?

- Privatizations have been stopped in Minneapolis. In Boston, residents at Grant Manor and others stopped HUD from selling to developers. They got partial ownership of their buildings in the 90s. In the long term, **Lenox residents can also fight for and achieve ownership**. Meanwhile, **we can and must unite** so that Beacon and BofA can’t push us around and do whatever they want with our homes.

Residents and organizers are starting to come together. Join us to defend your neighbors and the community! For more information and to get involved, please contact: concernedlenoxstreetresidents@gmail.com

Sources:

- i <https://www.bostonhousing.org/en/News/Mayor-Walsh-announces-start-of-renovations-to-hist.aspx>
- ii <https://www.bostonhousing.org/BHA/media/Documents/Annual%20Plan/annual%20plan%202021/ma002a01-Supplement.pdf>
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- iv <https://citylimits.org/2018/03/27/federal-audit-demands-better-oversight-of-program-key-to-nychas-survival-plan/>
- v <https://www.bostonhousing.org/en/For-Applicants/What-is-BHA-Housing/Section-8-Leased-Housing-Rental-Assistance.aspx>
- vi <https://www.oregister.com/2016/10/05/no-voucher-no-vacancy-no-help-the-cruel-realities-of-section-8-housing-in-orange-county/>