

# PRIVATIZATION AT MARY ELLEN MCCORMACK: A FACT SHEET

## What's going on?

- Mary Ellen McCormack is being privatized by WinnCompanies, a Boston-based developer which has been involved in scandals in the past for things like poor housing conditions and bribing government officials.
- The privatization plans involve a complete redevelopment, so all of the current buildings at McCormack (townhouses and apartments) will be demolished to make way for new buildings which will be up to 19 stories tall.
- The privatization plans call for 2,000 additional apartments to be built at McCormack, in addition to the 1,000 apartments that are already here. Most of these new apartments will be market-rate and rent for thousands of dollars per month.<sup>1</sup>
- Bringing in higher-paying tenants who can pay these rents is part of a larger plan to gentrify the neighborhood and price out the current residents.
- If we want to stop this we need to get together as a community and force BHA to keep McCormack public and improve our conditions.

## What is privatization all about?

- All across the country, the government and housing authorities are trying to get rid of public housing and put them in the hands of big banks and wealthy developers. This is basically a scam where piles of taxpayer money get forked over to private companies.
- Privatization can take place through a few different programs, but in all cases it amounts to handing over public housing properties to private companies. These companies are then the new landlords for tenants, and they run the developments to make as much profit as they can.
- Under the privatization at McCormack, current BHA tenants will be moved from Section 9 public housing to a form of Section 8. This will mean having the new company, Winn, as a landlord instead of BHA. It will also likely mean paying for utilities like gas and electricity.
- This type of Section 8 is called a project-based Section 8 voucher, and it is not the same as a normal, “mobile” Section 8 voucher. It is tied to the apartment, not to the tenant, so residents won't be able to take it with them if they want to move somewhere else.<sup>2</sup>
- Current residents at McCormack will also likely have to re-apply in order to keep living at McCormack after it is handed over to Winn Companies, just like has happened to residents in other projects in Boston such as Lenox after they were privatized.
- In previous privatization efforts only around 11% of residents have been able to return after development.<sup>3</sup>

## Why is Mary Ellen McCormack being privatized?

- Like a lot of other public housing developments around the country, Mary Ellen McCormack is located on prime real estate. It's located close to the waterfront, and very close to the T and downtown Boston.
- Boston Housing Authority is also privatizing as much as it can. They've already privatized Old Colony and many other places, and they're selling off Bromley Heath and Lenox Street right now. BHA has never prioritized the well-being of public housing tenants<sup>4</sup>, so they aren't bothered if the companies carrying out privatization act like slumlords or try to kick out low-income tenants as soon as they take over.
- For private companies like Winn, there is a lot of money to be made taking over public housing. The City of Boston has already pledged to give Winn \$50 million<sup>5</sup>, and doing the redevelopment will give them access to all sorts of tax credits, incentives, and cheap loans.

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1 <https://bpda.app.box.com/s/rwk3mi67hnn5mo500pxqgc28ytra6gj3>

2 [https://www.hud.gov/sites/documents/DOC\\_9157.PDF](https://www.hud.gov/sites/documents/DOC_9157.PDF)

3 <https://nhlp.org/files/FalseHOPE.pdf>

4 <http://sparechangenews.net/2014/08/shining-light-boston-public-housing/>

5 <https://www.bostonglobe.com/2021/06/14/business/plans-advance-massive-makeover-south-bostons-mccormack-complex/>

- Winn will also manage the complex after it is redeveloped, so they will make millions in rental income. The plan is for 3,000 units total, so if they rent for \$2500 on average (probably an underestimate) that works out to \$7.5 million in rental income *per month*.

### How are BHA and Winn justifying this scam?

- Winn says that the privatization is badly needed because buildings “are well past their useful life”<sup>6</sup>
- The truth is that some buildings at McCormack are in good shape and others are badly in need of repair. But demolishing the buildings and replacing them with luxury units for the rich is not a solution that really benefits existing residents.
- Winn also claims that McCormack is not currently prepared for rising seas due to climate change, but the plans they have submitted to BHA so far don’t mention any changes they plan to make that will fix this problem.<sup>7</sup>

### How will the privatization gentrify the neighborhood?

- Winn plans to bring in 2,000 new units, the vast majority of which will be market-rate. These wealthy tenants will be the majority in the development, changing the character of the neighborhood.
- The redevelopment plans include 8 new residential buildings. 3 of these will be only occupied by current McCormack residents. All of these buildings are located at the back of the development, by Dorchester Ave. The two planned towers (one 19 stories, and another 9 stories) located at the front have the minimum number of current McCormack residents and the maximum number of market-rate tenants, making it clear that Winn wants to segregate the development as much as they can get away with.

### What kind of record does WinnCompanies have?

- Other “affordable” housing they run in Boston is anything but. At Mission Main 2-bed apartments start at \$2995<sup>8</sup>, and at Castle Square 2-bed apartments start at \$2,676 and 2-bed townhouses \$3,084<sup>9</sup>.
- In 2012, the founder and principal of WinnCompanies, Arthur Winn, was convicted of bribing politicians to get approval for a development he was trying to build over the Mass Pike in Back Bay.<sup>10</sup>
- Then in 2017, Arthur Winn was accused of trying to strangle a nurse who was working in his home taking care of him.<sup>11</sup> The DA dropped the charges in 2019 without explanation. Another nurse said that a few months earlier Winn held a steak knife to her neck, and she had to fight for her life to escape.
- Marines at Camp Lejeune, North Carolina who live in privatized on-base housing owned by Winn filed a lawsuit in 2020, because their houses were full of mold, cockroaches, water, mildew, and other health hazards.<sup>12</sup>

### Is it Too Late? Can this be stopped?

The powers that be want us to believe that it’s a done deal. But we can halt the privatization of McCormack, and organize together to demand necessary repairs, improvements, and better security. Residents in Glendale, Minneapolis organized successfully to stop privatization after it began.<sup>13</sup> They fought and won and so can we!

## The United Front Against Displacement

Text/Call: 617-858-6604 Email: [wewontgoboston@riseup.net](mailto:wewontgoboston@riseup.net) Website: [theufad.org](http://theufad.org)

6 <https://bpda.app.box.com/s/rwk3mi67hnn5mo500pxqqc28ytra6gj3>

7 <https://bpda.app.box.com/s/rwk3mi67hnn5mo500pxqqc28ytra6gj3>

8 <https://livemissionmain.com/floor-plans.aspx>

9 <https://www.castlesquareboston.com/Floor-plans.aspx>

10 <https://www.bostonglobe.com/business/2012/01/31/boston-developer-arthur-winn-fined-for-making-illegal-campaign-contributions/6Kk37g95WhAhQooK1YU2CM/story.html>

11 <https://www.bostonglobe.com/metro/2019/05/08/suffolk-rachael-rollins-quietly-drops-intimidation-case-against-wealthy-developer/QIByPjU7C0R6tswPLb2PwM/story.html>

12 <https://www.stripes.com/news/us/three-marine-families-at-camp-lejeune-sue-housing-firms-over-moldy-pest-filled-homes-1.646334>

13 <https://spokesman-recorder.com/2019/06/12/the-birth-of-defend-glendale-public-housing-coalition/>