



The False Promise of Privatization at Mildred Hailey

Like many public housing developments across the country, the Mildred Hailey development in Jamaica Plain, Boston is suffering from ever worsening conditions as a result of years of mismanagement and neglect. And like many public housing authorities, the Boston Housing Authority (BHA) is using the deteriorating conditions as an excuse to demolish a substantial portion of the development and replace it with privately owned mixed-income buildings. BHA claims that this privatization¹ will greatly improve conditions while guaranteeing “permanent affordability forever” by virtue of BHA’s continued ownership of the land and the “one-for-one” replacement of the demolished public housing units. This is just a bunch of misleading phraseology cooked up by HUD, the developers, and housing authorities, based on bad-faith definitions and outright lies. In particular:

1. **The term “one for one replacement” is misleading.** The redevelopment plan at Mildred Hailey involves replacing 253 public housing (or “Section 9”) units with a different kind of subsidized unit referred to as Project-Based Section 8 (this being different from the mobile Section 8 vouchers that allow residents to move between mobile voucher-accepting buildings). Despite what BHA and its developer partners like to claim, this is not the same as public housing. Even if the same number of units are built (“one-for-one”), it *does* involve a major change in how the housing is administered: private companies own and manage buildings, set their own rules, and generally are more aggressive than the housing authorities in pursuing evictions.
2. **Affordability is not truly “guaranteed, forever.”** The regulations for Project Based Section 8 are much looser than for units under public housing, especially when it comes to any sense of “permanency.” From the federal regulations² down to the specific local contracts that housing authorities sign with new private owners³, there are all sorts of **loopholes**⁴ that allow Section 8 units to lose their subsidy and become unaffordable to most if not all working people. It is simply false that there is no way for Section 8 units to become deregulated or even become market rate.

¹ BHA officials insist ‘privatization’ is inaccurate. But even the developer JPNDC, which is one of three developers carrying out the privatization at Mildred Hailey, described (up until October 22, 2021) what BHA and developers are doing across Boston as a “privatization process,” because it quite obviously is exactly that. See <http://web.archive.org/web/20211021031704/https://jpndc.org/mildred-c-hailey-apartments-redevelopment/>

² See the following HUD guide, which states “The traditional PBV program also allows for the removal of units from a PBV HAP contract:”

https://www.hud.gov/sites/dfiles/Housing/documents/RAD_PBV_QUICK_REFERENCE_GUIDE_2020.pdf

³ A useful example is the Use Agreement for Lenox St. in Boston which can be found online in the Suffolk registry of deeds, at <https://www.masslandrecords.com/Suffolk/>. This Use Agreement makes it clear section 8 renewal is not totally guaranteed, and even contains a paragraph for what happens in the event section 8 no longer applies. In that case, the only remaining requirement for “affordability” is that rents not be above 30% of 80% AMI. Currently 80% AMI for family of 4 is \$96650, and 30% of that comes out to \$2416/month—hardly affordable for most working families of 4 in Boston.

⁴ In fact, HUD can allow units to be taken out of all the affordability restrictions in a Use Agreement if the owners can show the development is not “financially viable” under those restrictions. See this example from NYC: <https://fightfornycha.org/2020/11/24/for-immediate-release-rad-landlords-can-ask-hud-to-deregulate-public-housing-apartments/>



3. **‘One-for-one replacement’ is accompanied by the addition of *more expensive units* which will gentrify the neighborhood and jeopardize affordability in the long term.** Originally, BHA and the developers explicitly planned to include market-rate units alongside so-called “affordable” units, in which the rent is set according to a percentage of the Area Median Income (AMI) rather than based on the tenant’s income.⁵ When they scrapped the market-rate units, they replaced them with plans for 170 outrageously expensive units at a rate deemed “affordable” for tenants making 175% of AMI, or about 150K for a 1-person household. For perspective, the “affordable” rent at the 175% AMI level is around **\$3,600/month** for a 1-bedroom! After significant push back, they changed the unit mix to include units ‘only’ up to 120% of the AMI, which comes with rent **of \$2,467/month** for a 1-bed.⁶ But in any case, the developers’ plans for Mildred Hailey still say that the actual final rent/income levels for the new units are “subject to financial feasibility”—hence, if they determine that the unit mix is not “financially feasible”, they can and would most likely revert to their original plan for market rate units or units at 175% of AMI.⁷ But, no fear! They claim other apartments will be “affordable” at 50-80% AMI. This too, is a false promise: the rents at those levels range from \$987 to \$1622 per month for a 1-bed, which are in fact affordable **only to a minority** of working people and people who live in public housing, not all—and **vitaly, these rents do not change if household income decreases.**⁸

Overall, this set up would clearly worsen gentrification of the whole neighborhood immediately by adding in more expensive apartments, and set the stage for even more intense gentrification over the long term. This gentrifying scheme, like any other, does mean displacement sooner or later. But what about immediate displacement during the redevelopment? It is certainly possible for them not to immediately kick out a large portion of residents during the redevelopment itself. But the fact is, government and developer promises of a “right to return” are flimsy at best. People displaced during Urban Renewal still have pieces of paper promising them their ‘right to return.’ And during the privatizations, the ‘right to return’ is always conditioned on ‘good standing’ as BHA itself says. Some tenants have fallen behind on rent because of expenses related to BHA’s shoddy maintenance: replacing furniture, clothes, food, etc. ruined by the leaks, rodents, and cockroaches. Others lost income during the pandemic or had to take care of medical expenses, or have had fake accusations of back rent or lease violations made up by housing in order to bully them. Already, BHA threatens such residents with eviction and harasses them. So why should we believe BHA’s oversight over the new owners of the units will in fact protect such residents?

It should be clear to all that this is an attack on the social safety net, and a land and money grab by the private sector. It's time to see past the lies and disinformation put forward by BHA, HUD, Congress, and their developer friends, and to fight to preserve public housing for the sake of our families, our neighbors, and the future generations.

⁵ See pg.71 of:

<https://www.bostonhousing.org/BHA/media/Documents/Annual%20Plan/annual%20plan%202021/ma002a01-Supplement.pdf>

⁶ <https://jpnrc.org/wp-content/uploads/2021/04/Affordability-Questioned-at-Mildred-Hailey-Apts-4-8-21.pdf>

⁷ See pg. 9 of <https://bpda.app.box.com/s/1uyo1p7de02nbtxeq4n214yq2ay7trc7>.

⁸ See the following article by Defend Glendale & Public Housing Coalition on AMI. Though the article is focused on the Twin Cities, it applies equally well to Boston and any other city in the country.

<https://www.dgphc.org/2021/10/23/ami-goes-up-and-so-does-rent/>