

Two decades later, public housing is once again coming to Boston

A new but little-known federal program means that some municipalities in Mass. are on track to build hundreds of new units, and thousands more could come

By [Andrew Brinker](#) Globe Staff, Updated June 13, 2023, 8:56 a.m.



Construction at 116 Norfolk St., a public housing development near Central Square. SUZANNE KREITER/GLOBE STAFF

A

lmost a quarter-century ago, the word came down from Washington, D.C.: The federal government was done building public housing.

A new law capped the number of deeply affordable apartments Washington would subsidize in any given city at whatever existed in 1999, closing the book on a decades-long push against public housing by critics who associated it with crime and concentrated poverty.

Since then, as age and demolition have taken their toll on decades-old housing projects, the supply of public housing has inexorably dwindled.

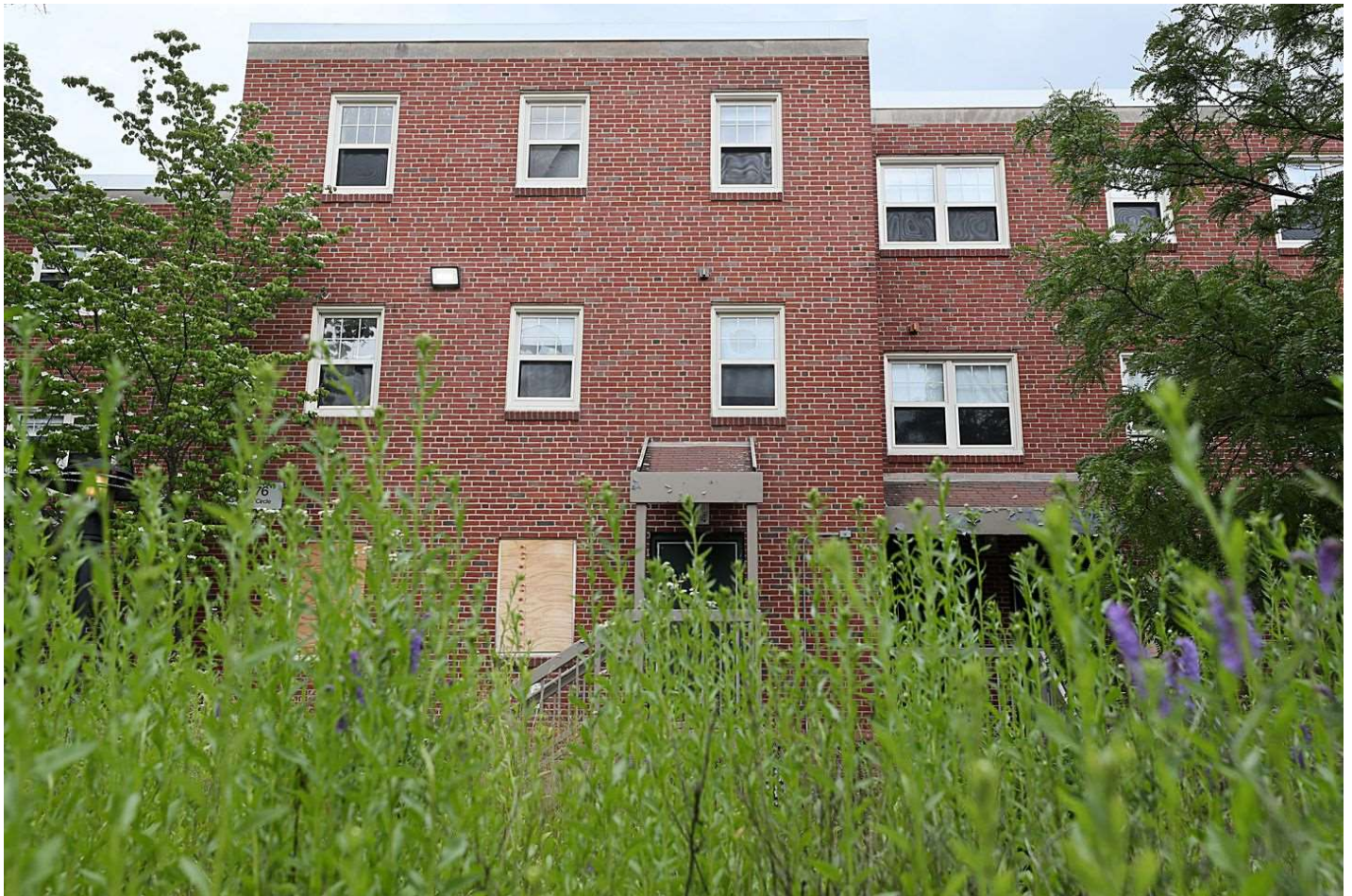
Until now. Through a new but little-known federal program, some municipalities in Massachusetts are building the first new public housing units since that cap was passed, a moment many in the housing world thought might never come.

Their numbers are small, and the financing is very complicated. But with the right combination of funding sources, some cities and towns are already on track to build hundreds of new units, and thousands more could follow. Housing leaders say the move couldn't be more timely, amid a deepening housing crisis in which low-income homes are in particularly short supply.

“For the first time in 30 years, we finally have the tools at our disposal to build more of what I see as some of the most valuable housing in the US,” said Kenzie Bok, executive director of the Boston Housing Authority. “Hopefully this is the beginning of a shift in the way we view public housing in this country.”

In a twist, the new program takes advantage of the cap Congress imposed in the late 1990s, known as the Faircloth Amendment. While the rule limited the number of federally subsidized public housing units in any given city, it also obligated the federal government to help pay for that amount. And because the United States has lost so much public housing — to demolition, redevelopment, or deterioration — in the years since, HUD estimates that housing authorities nationwide are around 235,000 units below their caps. In Massachusetts that number is around 6,000.

There have been efforts in recent years to do away with the cap altogether, including a repeal of the Faircloth Amendment that passed the House in 2020, but those have all fizzled. Instead, HUD created this new program, which, in practice, allows housing authorities to access more generous rental subsidies to underwrite construction of new units. (Cities have always legally been able to build back to their cap but had no money to do so.)



In Cambridge, Jefferson Park is due to be razed and re-developed with additional housing units. SUZANNE KREITER/GLOBE STAFF

In Massachusetts, roughly one-fourth of those available units are in Cambridge. The city is using the subsidies to add 24 studios to a 38-unit federally funded building being redeveloped near Central Square, and another 100 units to a 175-unit property in North Cambridge.

Getting to this point requires housing officials to navigate an administrative obstacle course. Essentially, the federal government allows housing authorities to convert traditional public housing subsidies, known as Section 9, to another type of subsidies, known as Section 8. The former pay relatively little per unit, making them harder to use to back a construction loan; the latter, by contrast, pay more, enough to repay a financing package that usually involves multiple sources as well as help maintain units in the long term.

The financing “was not easy,” said Michael Johnston, executive director of the Cambridge Housing Authority. While the deal for those construction projects has yet to be finalized, “we believe we’ve figured out how to make it work.”

For example, those higher Section 8 subsidies will be used to secure the estimated \$213 million needed to build the North Cambridge project. The financing package is a hodgepodge that includes \$80 million from state bonds and \$7 million in subsidies and loans from the Massachusetts Department of Housing and Community Development, with the remainder of the money coming from private loans, made possible by those Section 8 vouchers, and federal low-income housing tax credits.

There is another wrinkle in federal regulations that Cambridge is planning to exploit to build yet more new housing — just not in Cambridge.

Housing authorities are legally allowed to operate anywhere in the state, not just in their home communities, so long as they comply with local approval processes and zoning rules. So, the authority in Cambridge — where costs are high and housing is already fairly dense — is in talks with nearby communities such as Medford to build there as well.

The creative approach comes at a time when deeply affordable housing is needed more than ever.

Public housing serves some of the state’s poorest residents and limits what tenants pay more so than many other forms of affordable housing. Rents in those units are typically set at around 30 percent of a household’s monthly income, or around \$360 for a household earning \$14,444 a year, the national average for public housing residents, according to the Urban Institute.

Meanwhile, housing advocates are looking to European countries, some of which have millions of government-owned and operated housing units, for ideas to address the housing crisis.

But after decades of watching their public housing stocks decline, even the notion that US cities could build more is something of a revolution.

The city of Boston, for instance, is about 2,900 units below its cap, more than all the apartments in Charlestown's Bunker Hill and South Boston's Mary Ellen McCormack complexes, two of the largest in the city, combined. And Bok said the city intends to eventually build "every single one of those units," once the BHA figures out the best way to do so.

Their first effort, she hopes, will be a redevelopment of the West End branch of the Boston Public Library to include housing on the upper floors, with 20 units reserved for new public housing.

Beyond that, it will be trial and error. The city may find success folding public housing units into larger mixed-use complexes, Bok said, with the private helping cover

development costs. Or they could build entirely new public housing complexes with the help of grants, perhaps on vacant parcels across the city.

Regardless, it will likely be slower going than the efforts in Cambridge, because the housing authority there has a special status from HUD that allows it to devote more of its available vouchers to specific projects. Boston does not have that status, so working out the mix of funding will be more challenging.

The housing authority in Holyoke also has that special status and is planning to build more units. Holyoke is only 189 units under its Faircloth cap, and there are preliminary talks about adding 30 to a bigger redevelopment project. Beyond that, there aren't any official plans.

"It's a work in progress," said Matthew Mainville, executive director of the Holyoke Housing Authority. "But we see the potential."

Brookline, by contrast, doesn't have the special status, so it will be more challenging to finance any of the 150 units it can build under its federal cap.

"This is not necessarily a slam dunk for every housing authority," said Brookline executive director Michael Alperin. "The funding structure is still difficult to make work, even with the promise of Section 8 vouchers."

Despite its limitations, Bok, the Boston executive, said the new federal program is significant, even if it only leads to the piecemeal construction of new public housing. It's the first movement from the federal government on public housing in decades, and she said she hopes it will be an important step toward removing altogether the federal limitation on new units.

"Public housing could be a key piece of the solution to our housing shortage," Bok said. "We just have to start treating it that way."