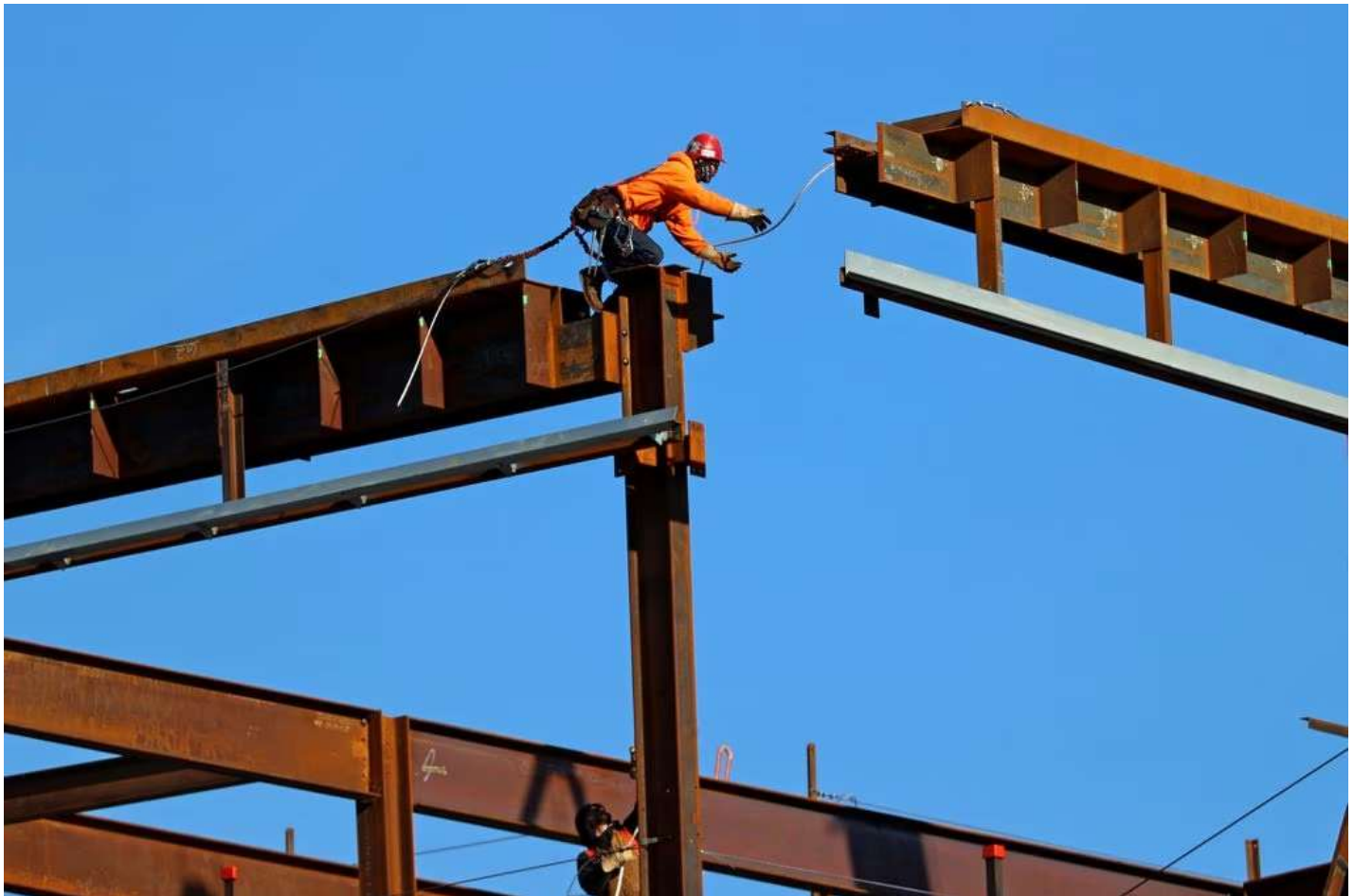


CHESTO MEANS BUSINESS

More cities join push to diversify the development industry

Cambridge, Somerville, Lynn, and Salem join Boston in pushing real estate projects to include diversity plans.

By [Jon Chesto](#) Globe Staff, Updated May 7, 2023, 3:52 p.m.



Boston and four nearby cities are launching plans to ask developers to report on the diversity of their project teams to broaden the city's traditionally-largely-white real estate development industry. DAVID L. RYAN/GLOBE STAFF

The Massachusetts Port Authority [took an unorthodox approach](#) when it sought hotel developers for an empty piece of land in the Seaport nearly a decade ago: Bidders would

be scored, in part, on the diversity of their teams.

Flash forward to today. When competing to redevelop a city- or state-owned site in Boston, it's now well understood that you can't simply have the same old players around the table — mostly white, mostly men. You need a diverse mix of investors and contractors to win. What some once considered radical is now de rigueur.

Now, we may be reaching a similar inflection point for privately-owned properties. The [Massport Model](#), as it's known, can only go so far because it involves bids for public sites. But now, a new model is emerging that could have a much bigger impact on development around Greater Boston.

On Monday, Boston officials will join mayors from Lynn, Salem, Cambridge, and Somerville for a significant pledge: Developers will be asked to submit diversity plans in land-use reviews of projects on private property, and officials will weigh the diversity of bidding teams for 25 percent of the scoring when divesting city-owned sites — like what happens in Boston already. The hope is this will make these businesses more deliberate and thoughtful about opening doors and making new connections, and bring more women and people of color into the potentially lucrative field of real estate development.



These plans could showcase minority equity partners, or subcontractors such as architects and engineers, internships or mentoring programs, or space set aside for shops and restaurants owned by women or people of color. The goal is to open up access to wealth and opportunities to populations long excluded from many of Boston's biggest real estate deals.

This concept grew out of discussions at the Civic Action Project, [an initiative](#) to cultivate the next generation of business and political leaders in Massachusetts led by three retired white men: Steve Crosby (former Mass. Gaming Commission chairman), George Bachrach (former state senator and Environmental League of Massachusetts president), and Ira Jackson (a former bank and university executive). At CAP meetings, the so-called Massport Model came up time and again as an effective way to diversify development of publicly-owned land.

But what about privately owned sites, even beyond Boston? Crosby saw a big hole to be filled, and thus a big opportunity. CAP, a networking and mentoring effort, was now moving into the realm of public policy-making.

Crosby acknowledges he doesn't know much about the world of construction and development. So CAP enlisted [the Boston Society for Architecture](#) for advice. They later joined up with the [Builders of Color Coalition](#), and the three organizations received a \$150,000 planning grant from the Eastern Bank Foundation to pay for staffing and analysis. They began to pull together municipal officials to talk about how the Massport Model's goals could be expanded and replicated more broadly.

Crosby [shared an early version](#) of what is being called the Commonwealth Development Compact with the Boston Planning & Development Agency about a year ago. The city agency was already considering ways to improve diversity in the development sector, and had been [factoring project team diversity](#) in weighing bids for city-owned land since 2018. Last August, the agency took it a step further [with a new policy](#) requesting that developers include diversity and equity plans as part of all large-project reviews.

On Monday, it becomes official: Salem, Lynn, Cambridge, and Somerville will replicate what Boston did, under a yearlong pilot program. Weighing diversity to evaluate bidders for a city property, and requesting diversity disclosures for projects on private sites. The concept dovetailed nicely with efforts at Lynn City Hall to advance inclusive growth in

the city, said Danya Smith, policy director for Lynn Mayor Jared Nicholson. Now, the city will include diversity in the scoring for any public land dispositions, and ask developers how they are advancing projects with equity in mind as part of all the city's site plan reviews.

For now, anyway, the Compact proposes that these requests for diversity plans in private development remain voluntary, based on the advice of lawyers at Anderson & Kreiger, who are working with the group.

No one has skipped it yet in Boston. Diversity plans have been included in all 19 eligible large projects filed for review since Boston's policy was enacted. Staffers are collecting this data and watching for patterns, potentially to use the information to design an evaluative scorecard that might also measure resilience and affordability, along with diversity and equity. A spokeswoman said the agency is still determining what role this might play — expediting permitting for projects that advance the city's priorities, for example, or offering other kinds of incentives. She said such a scoring system wouldn't be intended to be punitive, but instead to foster innovation about reaching those three goals.

Tamara Small, chief executive of development trade group NAIOP Massachusetts, said her members are eager to address racial inequities in the profession and build more robust talent pipelines. She doesn't expect much pushback to the diversity-plan request in the other cities, although she noted these plans might look quite different in smaller outlying cities than they would for a \$500 million complex in Boston.

Going forward, the Compact team members intend to track the impacts of this new approach closely, and analyze the data, with an eye toward ensuring development doesn't get impeded, and a diverse network of developers and contractors can be built. Crosby's not sure when other cities might join the Compact, or even if the capacity exists today to bring on more municipalities right now. But the ultimate goal, he said, is to craft an

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approach that can be replicated anywhere in the state. He says he wouldn't be surprised if more cities join in the coming months.

One way they might measure success: If what started as one experiment on the Boston waterfront a decade ago simply evolves into another commonplace piece of government paperwork.