

# BANKER & TRADESMAN

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## HUB INCLUSIONARY DEVELOPMENT POLICY CHANGE SHOULD BE EMBRACED

BY LISA B. ALBERGHINI

Boston mayor Thomas Menino's recent increase in fees collected from residential developers who do not build affordable housing onsite at their properties is a win-win proposition. It helps people, the city of Boston and our state economy. The policy gives additional hope to residents of modest means because it will increase affordable housing production, gives direction to the city by charting the course of development, and helps the commonwealth's workforce flourish rather than encouraging it to flee.

Those are the obvious reasons to support this new initiative. Perhaps the less obvious but far more important reason is that it encourages the development of inclusive communities where people live comfortably with each other – despite differences in income. Higher fees encourage developers to more carefully consider building affordable housing on-site by narrowing the opportunity cost between the on-site and off-site options, particularly where the difference in cost has been significantly reduced.

But this isn't about where the money goes; it's about where the people go. Developers can meet their commitment to people in need by putting them somewhere else. It's easier. It's more comfortable. Or they can work hard to create vibrant communities with tremendous economic diversity that reflect a civil society. Our city and our nation are becoming increasingly stratified, with the rich and the poor – the "haves and have-nots" – more distinct, more separate, and living at opposite ends of a growing economic divide. We hear those words so often these days that they almost sound cliché, and we have become

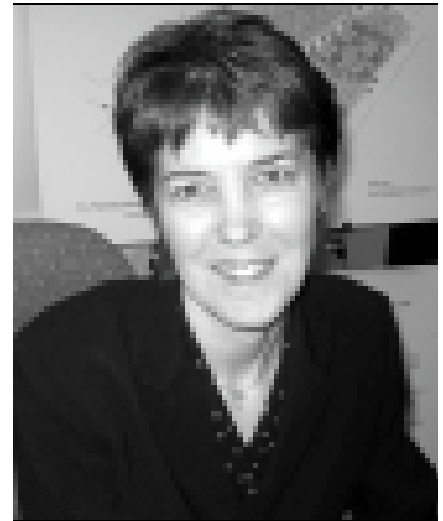
numb to their truth and reality.

The new Boston policy calls upon all of us to actively examine our assumptions about how we live together and how we think about our communities. It supports inclusion and economic diversity within residential developments by raising the cost of encouraging us to live separately. We hope developers will respond with enthusiasm and creativity to build affordable housing within their properties, and believe that approach should guide development whenever possible.

Mixed-income communities are good for residents and good for the city ... and they work. Since its inception the Planning Office for Urban Affairs of the Archdiocese of Boston, with the help of many public and private partners, has developed some most notable examples, including nearly 600 units in Boston over the past several years. Rollins Square in the South End is a strong case in point, where formerly homeless families live next door to firsttime homebuyers and marketrate residents who paid in excess of \$750,000 for their units.

In this development, where the overall mix is 20 percent low-income, 40 percent moderate-income and 40 percent marketrate units, residents of all incomes have become friends and neighbors. And market-rate units have resold (though there have been few because residents tend not to leave Rollins Square) at 30 percent or greater increases in price over a two-year period, illustrating that investment in the community – beyond the real estate – has literally paid off.

Structuring these deals can be complex and challenging, but it is worth the work. The Mayor's new policy is as



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much about justice as it is about housing production and profits. It is about making sure there are homes available for everyone in all of Boston's neighborhoods – new and old.

Mayor Menino is again leading the way, making the most of a challenging situation and exhibiting the courage to overcome concerns about discouraging development and the commitment to create inclusive communities that make cities great. We hope everyone will welcome the policy and, most importantly, what it represents: a move to a more civil society, with neighbors caring for neighbors and where respect for all is the guiding principle.

Build on-site. Embrace it. It will demonstrate our values, make our city even more distinctive and reinforce our collective commitment to human dignity. ■