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To: MVC Commissioners
From: Christine Flynn, Economic Development & Affordable Housing Planner
Date: November 12, 2020
Subject: **DRI #697 Hob Knob Expansion: Housing Recommendation**

Hob Knob Project:

1. The proposed project is to expand the Hob Knob Inn by 4,816 square feet in addition to convert an existing residential home with a cottage/office and garage/apartment.
2. Based on the application, three residential units will be displaced with the proposed renovation of the Hob Knob Inn. At 124 Upper Main Street property, the following is a breakdown of the 3 residential units:
 - Main House with 5 bedrooms (Edgartown Assessors Records indicate 4 bedrooms) no apartment
 - Cottage with One Bedroom Apartment/Office
 - Garage with One Bedroom Apartment
3. The applicant has offered to designate 4 rooms, two people per room, for seasonal employees to live on-site year-round at a cost of \$250 a month per employee. The applicant has also offered to provide year-round housing for one new year-round employee, at cost.

2019 MVC DRI Housing Policy:

1. Clarifying Hotel/Lodging Land Use Multiplier:
Based on the MVC 2003 Housing Nexus Study, Staff would recommend a multiplier of 3 be used for any monetary mitigation calculations:
 - For Hotel and Lodging:
 - $4,816 \text{ square feet} \times 3 \text{ (Hotel/Lodging)} \times 8 = \$115,584$
2. Displacement of 3 Residential Units:
The 2019 MVC DRI Housing Policy states “any DRI project that proposes to demolish, repurpose, or otherwise eliminate an existing residential structure must replace each unit of housing in the structure to be eliminated either on -site as part of the DRI Project or off-site in appropriate circumstances. The replaced housing must generally be at least similar size . . .”
 - The prior DRI Affordable Housing Policy required the replacement of units only when the residential units were occupied year-round.

Staff Recommendation:

1. The applicant has offered to provide 4 bedrooms for seasonal employee housing that would allow up to 8 employees to live on-site year-round. The applicant’s offer would mitigate the housing impacts for the anticipated new seasonal employees which could range between 4-6. Staff would recommend to accept the applicant’s offer of 4 bedrooms for staff housing with an added condition to include common kitchen and annual compliance review. Staff would recommend to also accept the offer to provide year-round rental housing for the new year-round employee with a condition of annual compliance.
2. As a compromise to the loss of three residential units, Staff would recommend that an additional 3 – 6 bedrooms based on Assessor records be reserved on-site or off-site to compensate for the loss of 3 residential units.
3. Staff would recommend waiving all monetary mitigation options in favor of actual housing for Hob Knob Staff. The provision of housing is more beneficial than a one-time monetary mitigation offer.