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To: MVC Commissioners
From: Christine Flynn, Economic Development & Affordable Housing Planner
Date: August 7, 2020
Subject: **Staff Housing Recommendation: DRI #697 Hob Knob Expansion**

Hob Knob Project:

1. The proposed project is to expand the Hob Knob Inn by 3,500 square feet in addition to convert an existing residential home with a cottage and garage/apartment.
2. Based on the application, four 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 4 residential housing units with a total of 7 bedrooms:
 - One bedroom cottage
 - One garage with a one bedroom apartment
 - One accessory apartment (one bedroom) in the Main House
 - Main House with 4 bedrooms and law office (not including accessory apartment)
3. The applicant has offered to designate 4 rooms, two people per room, for seasonal employee housing on-site.

2019 MVC Housing Policy:

1. Clarifying Hotel/Lodging Land Use Multiplier:
In evaluating the 2003 MVC Housing Nexus Study, the study concluded that Hotel and Lodging, Office, Retail industries would have a "Moderate Impact" on Affordable Housing. The consultant recommended that Hotel/Lodging to have a multiplier of 3. Other municipal linkage programs were usually based on type of land use, building square footage or in some instances both. For those linkage programs that were based on type of land use, Hotel and Lodging industries were often mixed in with commercial, retail, or office use.
 - For Hotel and Lodging, MVC Staff would recommend a multiplier of 3 be used for any monetary mitigation calculations:
 - $3,500 \text{ square feet} \times 3 \text{ (Hotel / Lodging)} \times \$8 = \$84,000$
2. Displacement of 4 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 applicant has offered to provide 4 rooms for employee housing that would allow up to 8 employees to live on-site. The applicant's offer would mitigate housing impacts for the anticipated new seasonal employees which could range between 6 – 8.
 - MVC Staff would recommend that the MVC accept the applicant's offer of 4 rooms for staff housing with annual compliance review.
 - As a compromise to the loss of four residential units, MVC Staff would recommend that an additional 4 – 7 rooms (two staff per room) be reserved for on-site staff housing, with annual compliance review, to compensate for the loss of 7 bedrooms. Further staff would recommend waiving all monetary mitigation options in favor of actual on-site housing for Hob Knob staff. The provision of housing is more impactful than a one-time monetary mitigation offer.