

HUSCH BLACKWELL

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January 31, 2023

By Email

Dennis Renaud, Director
Determination of Need Program
Department of Public Health
250 Washington Street, 6th Floor
Boston, MA 02108

Mr. Renaud:

We write in response to your letter of January 26, 2023 to provide information requested by the Department of Public Health (“Department”) with respect to Navigator Homes of Martha’s Vineyard’s (“NHMV” or “Applicant”) request related to the Factor 6 Community Health Initiative requirement. Specifically, the Applicant requests that the Department recognize that Factor 6 will be satisfied by the workforce housing initiative tied to the Applicant’s Determination of Need project.

Below please find responses to the Department’s questions, which have been repasted below for ease of review.

1. **Please clarify the following:**

a. **Explain the organizational structure of the facility.**

The workforce housing will be owned and operated by Martha’s Vineyard Hospital.

b. **Who will be providing that \$25M and is this sum the total cost of the housing project? Our understanding is that it is MVH please confirm.**

Martha’s Vineyard Hospital will be responsible for the capital costs of \$25M to build the workforce housing..

c. **Will the entity committing that \$25M be the sole owner of the facility, if not who are the owners and what interest does each have in the facility?**

Martha’s Vineyard Hospital will be the sole owner of the facility.

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d. **Who will manage and operate the facility?**

Martha's Vineyard Hospital will manage and operate the facility through its existing housing department that is responsible for acquiring and managing housing for travel staff and employed staff of the hospital and Windemere.

2. **Please clarify the relationship between Dukes County Regional Housing Authority ("DCRHA") and the owner of the housing facility and NHMV? You state "the Martha's Vineyard Commission considers these income levels to be "community housing" and has approved the proposed housing. What is Martha's Vineyard Commission's authority vs DCRHA's?**

The Martha's Vineyard Commission ("MVC") and DCRHA have different roles on the island as described below.

- The MVC reviews projects that meet certain triggers for which the local town planning board refers to the MVC for review and approval. Its role is to control development on the Island. The MVC was established by the Martha's Vineyard Commission Act, Chapter 831 of the Acts of 1977 "An Act Further Regulating the Protection of Land and Waters of the Island of Martha's Vineyard", which outlines MVC's planning and regulatory functions as summarized below.
 - Planning: The MVC's planning jurisdiction extends to all seven towns of Dukes County. The Commission is one of Massachusetts' fourteen regional planning agencies, which help the communities within their jurisdictions plan and implement short- and long-range improvements with respect to transportation, economic development, the environment, land use, and community development.
 - Regulation: The MVC is one of two Massachusetts regional planning agencies (along with the Cape Cod Commission) that has regulatory powers over Districts of Critical Planning Concern and Developments of Regional Impact. The Commission's regulatory authority extends over the lands and waters of Dukes County, with certain exceptions.

The DCRA was publicly chartered in 1986 to assist the towns of Martha's Vineyard and Gosnold with increasing year-round housing opportunities for residents with low and moderate incomes. The Island-wide Housing Forum of 2000 resulted in several significant housing efforts including the six-town agreement to proportionately share the administrative staff costs of the Housing Authority. Fully funded by the towns since

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2005, Housing Authority staff work daily with islanders seeking housing and with town, state and regional organizations developing housing units, programs and supports.

- The Housing Authority manages year-round rentals, administers local rental assistance and partners with other organizations that offer assistance with rent, utility costs, apartment rehabilitation, and homelessness prevention.
- The Housing Authority assists with lottery of affordable homes and homesites, provides Homebuyer Information, serves as an affordability monitor, and maintains an affordable Homebuyer Clearinghouse.
- The Housing Authority provides support to town housing initiatives and participates in regional advocacy and planning efforts.

In normal circumstances, when a project is referred to the MVC, a condition of approval is that a certain number of housing units be set aside for affordable housing. The developer will then engage DCRHA to process housing applications and run a lottery. With respect to the planned workforce housing, MVH obtained approval from MVC to develop the housing. MVH will engage DCRA to process housing applications and run a lottery.

3. **You state that DCRHA will perform the following functions:**

- **process all applications for housing and select the applicants for placement in available units.**
- **Set rents**
- **charge for this service.**

a. **With 85% of the housing targeted to staff earning less than 120% of the Area Median Income rents will be subsidized. Will this meet the salary requirements of all staff? Who will be placed in the 15% of unsubsidized housing?**

NHMHV and MVH have analyzed the salary ranges of existing staff to determine how these salaries would align with the housing income bands as defined by the MVC. The salary range data shows good alignment with MVC income bands. Some staff will not qualify as their income exceeds 120% of the AMI. The remaining 15% of available units will be rented at unsubsidized rates to staff earning in excess of 120% of the AMI

b. **If this project is providing a much need service and benefitting the Island, and with the large tax-base, why is there a charge for this service? What is the charge?**

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The charge for the service is not passed on to applicants (i.e. staff). DCRHA charges the developer and owner of the housing for services provided. While we cannot speak for why DCRHA charges a fee to developers, we believe that, in an effort to lessen its burden on the downs, DCRHA charges developers and owners for the services provided directly to them. While its standard rates are on the order of \$100 per application processed and \$1,500 per lottery run, MVH, NHMV, and DCRHA have not yet negotiated rates.

- c. **You State “NHMV will be responsible for its portion of the housing operating costs that is not offset by rents collected.” How is this determined?**

MVH will charge NHMV rent for the housing NHMV uses for its employees and travel staff. The rents charged by MVH are used to operate the facility. NHMV will collect rents from employees as set by DCRHA and will be responsible for the difference between the rents charged by MVH to NHMV and the rents collected from employees as set by DCRHA. Through this arrangement, NHMB will be financially responsible for subsidizing rent for its employees and travel staff.

- d. **Who is Navigator renting from? MVH?**

NHNV will rent units for its employees and travel staff from MVH.

- e. **Is there a written contract delineating terms of agreement with all parties? Please explain.**

There is not yet a formal agreement between MVH and NHMV. However, the assent transfer agreement between MVH and NHMV related to the sale of Windemere to NHMV set forth terms for the workforce housing including the number of bedrooms to be made available to NHMV, the term of the obligation and the indexing of rent.

4. **The Applicant states throughout the Application, its commitment to develop a stable workforce, please clarify the following:**

- **You state in the January 23 email that the housing will consist of 75 bedrooms, of which Navigator Homes of Martha's Vineyard (NHMV) is committed to rent 30 bedrooms.**

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- **Whereas in the Application Narrative P. 3 you**

MVH acquired land adjacent to the Proposed Project to build dedicated workforce housing. The employee housing will be located within the same development as the Proposed Project, creating a sustainable source of housing for both MVH and the proposed facility's staff. The proposed housing will include 48 units for a total of 76 bedrooms, of which 30 one-bedroom units will be available to the staff of the new facility.

On Page 5 you also refer to 30 I-bedroom units.

Please provide clarity on the following:

- a. How did you determine that 30 bedrooms was the needed number.**

Please note that there is a typo in my January 23, 2023 email. As stated in the DoN application, the total workforce housing is 76 bedrooms in 48 units. NHMV will be allocated 30 bedrooms in a mix of 1-, 2- and 4-bedroom units.

The number of bedrooms available to NHMV is not based on demand for housing, but rather a function of what can be built on the site taking into account various logistical constraints including septic capacity, lot line setbacks, roadway district overlay, height restrictions and projection of endangered species habitat. Based on these limitations, the maximum number of bedrooms that can be built is 76 bedrooms.

- b. Explain whether these are one-bedroom apartments with kitchens and bathrooms, or a dorm-like arrangement? Will there be shared space (i.e., living rooms, bathrooms?) If so, how many bedrooms per shared space?**

The housing will not be dormitory style. Each apartment has a minimum of one bedroom, one bathroom, one kitchen, and one living room. Some 2-bedroom apartments have two bedrooms, one full and one half bathrooms. The 4-bedroom units have 4 bedrooms and 2 full and one half bathrooms. The housing was designed to be individual apartments to provide for a more home-like residence where staff will be comfortable living long-term. The Applicant recognizes the importance of housing to ensuring staffing stability for its residents. Moreover, the workforce housing will provide stability to staff, which can lead to higher job satisfaction and allowing them to become long-term members of the Martha's Vineyard community.

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c. **Please confirm that families will not be allowed to live in the housing.**

In addition to the 3 large apartment buildings that comprise 60 units and 60 bedrooms, four duplex buildings comprising 8 units and 16 bedrooms is planned for a separate part of the property. Residents will not be prohibited from having family, spouses or partners from living in the housing. Again, this design is in furtherance of providing housing stability with the goal of retaining staff for the long-term and allowing staff to settle and to become part of the larger Martha's Vineyard community.

Sincerely

HUSCH BLACKWELL LLP



Crystal M. Bloom

cc: Rebecca Rodman, Esq.
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