

INDEPENDENT CONTRACTOR AGREEMENT

This **INDEPENDENT CONTRACTOR AGREEMENT** is hereby entered into this 16th day of August, 2022 (“Effective Date”) by and between **Grand County**, a political subdivision of the State of Utah, located at 125 E. Center Street, Moab, UT 84532 (the “County”) and **BAE Urban Economics**, a California corporation located at 803 2nd Street, Suite A, Davis, CA, 95516 (the “Contractor”).

WITNESSETH

WHEREAS Contractor is willing to provide services to County as an Independent Contractor, and County is willing to accept services from and compensate Contractor for said services subject to this Agreement;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, County and Contractor agree as follows:

1. **SERVICES.** Contractor herewith agrees to perform the following services, as more particularly described in the Scope of Work attached hereto as *Exhibit A* (the “Services”):
 - (1) Local Workforce Housing and Affordable Housing Nexus Study and Linkage Fee Analysis; and
 - (2) *Optional*, at County’s sole discretion, Phase II feasibility analysis

The Parties acknowledge that they may amend and modify the Services only through written Amendment, which shall be attached to this Agreement and incorporated herein upon mutual execution.

2. **PROJECT SCHEDULE.** Contractor shall complete the Services on the following schedule (the “Project Schedule”):

Beginning on the Effective Date and ending at the conclusion of the studies identified above, but not later than August 16, 2023.

Contractor shall use commercially reasonable efforts to meet the Project Schedule, and the County agrees to cooperate in good faith to allow Contractor to meet the Project Schedule in a timely and professional manner. The Parties acknowledge that they may amend and modify the Project Schedule only through written Amendment, which shall be attached to this Agreement and incorporated herein upon mutual execution.

3. **TERM OF AGREEMENT.** Subject to Section 2, this Agreement shall begin on the Effective Date and shall expire on or before August 16, 2023.
4. **PAYMENT.**

- a. Compensation. County shall pay Contractor, and Contractor shall accept from County, in full payment for the Services under this Agreement, the following compensation: a maximum of \$67,840 for the Local Workforce and Affordable Housing Nexus Study and Linkage Fee Analysis. The County has the option to contract with BAE Urban Economics for the Phase II Feasibility Analysis as described in the scope of work for a maximum of \$62,480. The total maximum compensation should the County choose to exercise its option for the feasibility analysis is \$130,320 (the “Compensation”). Contractor shall invoice the County upon completion of the Services, and the County shall pay Contractor within thirty (30) days of the County’s approval of the same.
5. **PROFESSIONAL LICENSES & COMPLIANCE WITH LAWS.** Contractor shall obtain and be responsible for all occupational and professional licenses and permits required to perform the Services prior to the commencement of the same. Further, Contractor shall comply with all federal, state, and local laws, ordinances and regulations governing the Services.
6. **CONTRACTOR, DEFINED.**
 - a. Independent Contractor. Contractor is and shall always be an independent contractor with respect to the Services performed hereunder. Contractor accepts full and exclusive liability for the payment of any and all premiums, contributions, or taxes for workers compensation, Social Security, unemployment benefits, or other employee benefits now and hereinafter imposed under any state or federal law which are measured as wages, salaries or other remuneration paid to persons employed by Contractors on work performed under the terms of this Agreement.
 - b. No Third-Party Beneficiary. Nothing contained in this Agreement, nor any act of the County or Contractor, shall be deemed or construed to create any third-party beneficiary or principal and agent association or relationship involving the County. The Contractor has no authority to take any action or execute any documents on behalf of the County.
 - c. Miscellaneous. As used herein, Contractor shall include all owners, members, shareholders, directors, officers, agents, employees, heirs, assigns, and subcontractors of Contractor. All Contractor’s employees engaged hereunder shall be at least 18 years of age. Further, the County reserves the right to remove employees of Contractor or Subcontractor engaged hereunder for substandard work, gross negligence or intentional disregard for county property, or drug or alcohol use.
 - d. This Section shall survive expiration or termination of this Agreement.
7. **OWNERSHIP RIGHTS.** Contractor understands and agrees that the Work Product created by Contractor hereunder is for the sole and exclusive use of the County. Contractor further

understands and agrees that the County shall be the sole and exclusive owner of all right, title, and interest in and to such Work Product. The County has the right to use or not use the Work Product and to use, reproduce, reuse, alter, modify, edit or change the Work Product as it sees fit and for any purpose. This Section shall survive expiration or termination of this Agreement.

8. CONFIDENTIALITY. All designated confidential information disclosed by the County to the Contractor hereunder shall be kept confidential by Contractor. In such event, Contractor agrees to use all reasonable precautions to ensure that all such confidential information is properly protected and kept from unauthorized persons or disclosure. This Section shall survive expiration or termination of this Agreement.

9. REPRESENTATIONS AND WARRANTIES.

Contractor represents and warrants to the County that Contractor is free to enter into this Agreement and that Contractor's performance hereunder shall not conflict with any other Agreements to which Contractor may be a party. Contractor further represents and warrants to the County that the Work Product is unique and original, is clear of claims or encumbrances, and does not infringe on the rights of any third parties. Contractor shall comply with all federal, state, and local laws, ordinances and regulations governing the Services. This Section shall survive expiration or termination of this Agreement.

10. INSURANCE.

a. General. Prior to Contractor's commencement of the Services and during the term of this Agreement, Contractor shall carry the following insurance with an insurance company duly admitted into the State of Utah which maintains an A.M. Best rating of "A-" or better:

- i. *Commercial General Liability* with coverage not less than 1 million each occurrence with a \$2 million combined single limit. Such insurance shall cover liability arising from premises, operations, independent contractors, product-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). There shall be no endorsement or modification of the Commercial General Liability form arising from pollution, explosion, collapse, underground property damage, or work performed by Contractors;
- ii. *Professional Liability* with coverage of not less than \$1 million each claim and \$2 million aggregate; and

iii. *Business Auto Liability Insurance* with coverage of not less than \$1,000,000 for each accident.

b. Certificates of Insurance. Each Certificate of Insurance shall be attached hereto as ***Exhibit B*** and provide the following: a) designation of the County as an Additional Insured; and b) an endorsement for Waiver of Subrogation. Early cancellation or termination of the County's coverage hereunder shall constitute default.

c. Survival. This Section shall survive expiration or termination of this Agreement

11. BREACH. As used herein, Breach shall mean any failure by a party hereunder to perform any of its obligations under this Agreement, including but not limited to: Contractor's failure to commence or otherwise perform the Services in accordance with the provisions of this Contract, Contractor's failure to use an adequate amount or quality of personnel or equipment to complete the Services without delay, a party's adjudication as bankrupt, assignment of this Agreement for the benefit of its creditors, insolvency, or any party's failure to make prompt payments required hereunder, including Contractor's payments to its subcontractors, materialman, or laborers.

12. TERMINATION OF AGREEMENT.

a. By the County. In the event of Contractor's Breach hereunder, the County may, after giving the Contractor three (3) days' written notice, terminate this Contract and take possession of the Services. Upon receipt of such notice, Contractor shall cease operations and terminate existing subcontractors and purchase orders to the extent directed in the notice and complete such portions of the Services and take all actions to mitigate any losses and damages arising from the termination, as specified in the notice. Upon termination pursuant to this Section, the Contractor shall be entitled to receive, as full and final compensation for the Services, the Contract Sum attributable to the Services properly performed prior to the effective date of termination to the extent not previously paid and reasonable and necessary termination expenses for demobilization (subject to the County's receipt of supporting documentation acceptable to the County) and the ratable proportion of the Contractor's profit earned as of that date, provided, however, that the total amount paid to Contractor pursuant to this Section shall not exceed the Compensation.

b. By the Contractor. Contractor shall have the right to terminate this Contract in the event the County has failed, without cause, to make payment required hereunder, or the Project has been suspended for more than one hundred twenty (120) days; however, provided that such suspension is not the result of acts of force majeure or acts or omissions of the Contractor.

- c. Effect of Termination. In the event of termination under this Section, this Agreement (other than those Sections which survive termination, as stated herein), shall forthwith become wholly void and of no further force and effect; provided, however, that nothing herein shall relieve any party from liability for willful Breach of this Agreement.
13. **INDEMNIFICATION**. The Services performed by Contractor shall be at the risk of Contractor exclusively. Contractor herewith agrees to indemnify, defend, and hold the County, its officers, agents, officials and employees, harmless from any action, causes of action, claims for relief, demands, damages, expenses, costs, fees, taxes, or compensation, whether or not said actions, causes of action, claims for relief, demands, damages, costs, fees, expenses and/or compensations are known or unknown, are in law or equity, and without limitation, all claims of relief which can be set forth through a complaint or otherwise that may arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct (all whether by act, error and/or omission) of the contractor, its officials, agents, or employees. This Section shall survive expiration or termination of this Agreement.
14. **FORCE MAJEURE**. Neither party shall be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control (“Force Majeure”), including, without limitation, strikes; work stoppages; acts of war or terrorism; civil or military disturbances; nuclear or natural catastrophes or acts of God; global, state-wide or local pandemics; state-wide or local states of emergencies which cause travel or movement restrictions; and interruptions or malfunctions of utilities, communications or computer (software and hardware) services; provided, however, that each party shall use reasonable efforts consistent with accepted practices in their respective industries to resume performance as soon as practicable under the circumstances. This Section shall survive expiration or termination of this Agreement.
15. **ENTIRE AGREEMENT / SUBCONTRACTORS**. This Agreement together with its exhibits and RFP and bid documents contains the complete Agreement concerning the contracted service arrangement between the parties and shall, as of the effective date hereof, supersede all other Agreements between the parties. The parties stipulate that neither of them has made any representations with respect to the subject matter of this Agreement or any representations including the execution and delivery of this Agreement except such representations as are specifically set forth in this Agreement and each of the parties acknowledges that they or it have relied on its own judgment in entering into this Agreement. The Parties further acknowledge that any payments or representations that may have been made by either of them to the other prior to the date of executing this Agreement are of no effect and that neither of them has relied thereon in connection with their or its dealings with the other. The Contractor may subcontract out a portion of the work to another party only with the express written permission of Grand County. It is acknowledged that any Agreement between the Contractor and Subcontractor is not binding on Grand County.

16. MODIFICATION OF AGREEMENT. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced by writing signed by each party or an authorized representative of each party.
17. NO ASSIGNMENT. This Agreement is not assignable without the written consent of the Parties.
18. DISPUTES. Should any disputes arise with respect to this Agreement, the Contractor and the County agree to act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes. The Contractor agrees that the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this Agreement in the accomplishment of all non-disputed work, any additional costs incurred by the Contractor or County as a result of such failure to proceed shall be borne by the Contractor; and the Contractor shall not make a claim against the County for such costs.
19. CHOICE OF LAW. It is the intention of the parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and under and pursuant to the laws of the State of Utah and that, in any action, administrative action, special proceeding or other proceeding that may be brought arising out of, in connection with, or by reason of this Agreement, the laws of the State of Utah shall be applicable and shall govern to the exclusion of the law of other forums. Any such action shall be brought in the 7th Judicial District, State of Utah, Grand County. This Section shall survive expiration or termination of this Agreement
20. NO WAIVER. The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.
21. SEVERABILITY. The invalidity of any portion of this Agreement for any reason will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the severing of the invalid provision.
22. UNDERSTANDING AND EFFECT OF AGREEMENT.
 - a. Parties acknowledge that they have been advised to consult legal counsel and have had the opportunity to consult with legal counsel prior to entering into this Agreement.
 - b. Parties warrant that they enter into this Agreement with full knowledge of the meaning and future effect of the promises, releases and waivers contained herein.

- c. Parties warrant that they have entered into the releases and waivers contained in this Agreement voluntarily and that they make them without any duress or undue influence of any nature by any person.

23. PARAGRAPH HEADINGS. The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

24. ATTORNEYS' FEES AND COSTS. In the event of dispute hereunder, the prevailing party, as determined by a court of competent jurisdiction, shall recover its attorneys' fees and costs incurred to enforce this Agreement.

25. DUTY OF NOTIFICATION. Upon filing for bankruptcy or insolvency proceeding by or against the Contractor, whether voluntary or involuntary, or upon appointment of a receiver, trustee, or assignee for the benefit of creditors, the Contractor shall immediately notify the County.

IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed on the date indicated below.

Contractor's Signature	Printed Name of Contractor and Title	Date
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County Signature	Chair, Grand County Commission	Date
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ATTEST:

Grand County Clerk/Auditor	Date
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Contact Information

Contractor's Contact Information

Name: Matt Kowta
 Title: Managing Principal
 Address: 803 2nd St., Suite A
 Davis, CA 95616
 Phone: (530) 750-2195
 Email: mkowta@bae1.com

County's Assigned Project Manager

Name: Elissa Martin
 Title: Planning & Zoning Director
 Address: 125 E. Center St.
 Moab UT 84532
 Phone: (435) 259-1371
 Email: emartin@grandcountyutah.net

Exhibit A
Scope of Work

Contractor herewith agrees to perform the Services as set forth in this Exhibit.

EXHIBIT B
Certificates of Insurance

bae urban economics

Local Housing and Affordable Housing Nexus Study and Linkage Fee Analysis
Prepared for the Grand County, Utah
July 22, 2022



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July 22, 2022

Elissa Martin
Planning and Zoning Director
Planning and Zoning Department
Grand county, Utah
125 East Center Street
Moab, Utah, 84532

Dear Ms. Martin:

We are pleased to provide the attached proposal to prepare a *Local Housing and Affordable Housing Nexus Study and Linkage Fee Analysis*.

As authors of the 2018 Housing Nexus Study Phase I and II, as well as our more recent work with the City of Moab on their Active Employment Housing requirements, we believe that we are particularly well positioned to leverage our prior work to quickly and efficiently provide Grand County with top quality information for use in the Land Use Code (LUC) and General Plan update, which will thoughtfully respond to demands created by recent state legislation.

BAE's proposed scope of work for this assignment recognizes the County's need for a two-pronged approach, including inclusionary and business linkage type policies for the provision of locals only housing, as well as a separate density bonus and up-zoning policies aimed at incentivizing the provision of 'moderate-income' at below market rates. The scope of work is based on that prepared by BAE in April of this year, but has been significantly revised to align with the requirements of the RFP. Also, the scope of work includes an optional employee and employer survey task. While not strictly necessary, exercise would provide valuable information that BAE could use to better inform assumptions regarding the nature of workforce housing needs in Grand County, including both full-time and seasonal workers for whom data is largely unavailable from most conventional public data sources.

For the purposes of this proposal, we have elected not to submit full scope and budget detail for the optional phase II work regarding the establishment of a deed restriction purchase program, similar to the Vail In-Deed model, and an accessory dwelling unit incentive program. While we have notable recent experience in both of these areas, we would welcome the opportunity to speak with the County in more detail regarding goals and study options. This will allow us to better tailor a scope of work and budget to fit the County's expressed needs.

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510.547.9380

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530.750.2195

Los Angeles
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Los Angeles, CA 90013
213.471.2666

Washington DC
1140 3rd St. NE, 2nd Floor
Washington, DC 20002
202.588.8945

New York City
234 5th Ave.
New York, NY 10001
212.683.4486

Per the RFP, we are proposing an aggressive timeline that would allow completion of the requested phase I scope of work by the end of November 2022. This will allow more than enough time to complete the requested work, while also offering some flexibility and avoiding the need for public hearings as we enter the winter holiday season and end of year festivities.

We look forward to speaking with the selection committee in more detail regarding our proposal. In the meantime, if you have any questions about our firm, qualifications, experience, or project proposal, please do not hesitate to give me a call at (530) 219-0682.

Sincerely,



Matt Kowta
Managing Principal

BAE Urban Economics
803 2nd Street, Suite A
Davis, CA 95616

(530) 219-0683 (c)
(530) 750-2195 (o)
mkowta@bae1.com

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QUALIFICATIONS, KNOWLEDGE, AND EXPERTISE

Firm Overview

BAE Urban Economics, Inc., is an award-winning, national urban economics and real estate consulting practice. Since 1986, we have completed more than 2,400 engagements for public agencies, non-profit organizations, financial institutions, and real estate investors and developers, including numerous housing needs assessments, inclusionary housing and business linkage policy studies, and housing finance plans, for a variety of jurisdictions (including repeat clients) over multiple policy cycles.

Staffing and Offices

All of our work is led by seasoned professionals, who are responsible for project direction and quality control. We have 14 professional staff and three admin staff across five main offices in Davis, Berkeley, and Los Angeles in California, as well as Washington D.C. and New York City. We also have individual staff members based in Truckee, California, and Atlanta, Georgia.

Core Service Areas

BAE offers a broad range of services oriented towards the nexus of market economics and feasibility and community-based planning. Some of our key practice areas include:

- Affordable and workforce housing needs
- Market and financial feasibility analyses
- Public-private partnership (P3) structuring and negotiation support
- Public finance and infrastructure financing
- Fiscal impacts and economic benefits analyses
- Sustainability and transit-oriented development (TOD)
- Economic development and revitalization
- Public policy analysis and strategy development

All of BAE's work is closely tailored to the needs of our clients. If you have a need that aligns with our core competencies, but which falls outside of the above service areas, please let us know so that we can develop a custom scope of work and/or refer you to one of our partners.

Work Philosophy

BAE's passion for the "triple bottom-line" of sustainable economics, community equity and social justice, and environment sustainability makes us unique among urban economists. We believe that there are practical solutions to urban issues which will achieve this triple bottom-line, and that consideration of environmental impacts and social benefits, as well as financial returns, results in the highest quality outcomes and the best overall value for our clients.

Our company has practiced this same philosophy since our inception with intentional investments in our staff and workplaces to foster creativity, collaboration, innovation, and a

commitment to excellence in all that we do. We foster an environment of “confidence through competence,” wherein we empower staff to grow as independent professionals and subject area experts, yet also foster the soft skills necessary to work collaboratively, recognizing each other’s strengths and imperfections. We bring a similar approach to our clients, seeking to augment, enhance, and build on their internal capacity to better achieve their mission(s).

The BAE Difference Shows

We have earned more awards for excellence than any other firm in our field, and our clients have retained us repeatedly over our 36-year history.

Awards for Excellence

- 2022** Redondo Beach Artesia & Aviation Corridors Area Plan, Economic Planning + Development Award, Los Angeles Section, APA
- 2020** Cache Creek Parkway Plan, California State Chapter, APA
Long-Beach Civic Center P3, Project of the Year, Design-Build Institute of America (DBIA) Western Pacific Region; Best Project, Government/Public Building. Southern California, Engineering New Record
- 2019** Envision Stockton 2040 General Plan Update, California State Chapter, APA
Brentwood Priority Area 1 Specific Plan, Northern California Section, APA
LA Affordable Housing Linkage Fee Ordinance, Los Angeles Section, APA
Santa Clara Valley Agricultural Plan, Governor’s Environmental and Economic Leadership Award
NASA Research Park Housing, Best Public/Civic Project, Silicon Valley Business Journal
- 2018** Sacramento Central City Specific Plan, Northern California Section, APA
- 2016** Downtown South San Francisco Specific Plan, Northern California Section, APA
Long Beach Civic Center Master Plan, Southern California Section, APA
Vacaville General Plan Update, California State, APA
- 2015** NASA/Google Moffett Airfield Lease, *Best Public/Civic Project*, Silicon Valley Business Journal;
Real Property Innovation Award–Asset Management, US General Services Administration
- 2014** Oroville Arts, Cultural, and Entertainment District Plan, Sacramento Valley Section, APA
- 2011** Butte County General Plan Update, Sacramento Valley Section, APA
- 2010** West Broadway Urban Village Specific Plan, Northern California Section, APA
Baltimore State Center, Charter Award, Congress for New Urbanism
- 2009** Stewardship Council Land Conservation Plan, Association of Environmental Professionals
- 2008** Google Campus @ NASA Research Center, Silicon Valley Business Journal Deal of the Year
San Leandro Downtown TOD Strategy, ABAG Growing Smarter Together
23rd Street Specific Plan, City of San Pablo, Northern California Section, APA
- 2007** West Savannah Neighborhood Plan, Georgia Chapter, APA
Early Care & Education for All Plan for Alameda County, Northern California Section, APA
- 2006** Presidio Trust Management Plan, ULI Award for Excellence

- 2005** Coyote Valley Vision, Charter Award, Congress for the New Urbanism
- 2004** West Hyattsville TOD Strategy, AASHTO Best Project of the Year
Golden Gate National Recreation Area Wireless Communications Facility Siting Guidelines, Real Property Innovation, US General Services Administration
- 2003** NASA Research Park, Real Property Innovation, US General Services Administration
Bay Area Smart Growth Strategy, Charter Award, Congress for the New Urbanism
- 2002** Interstate MAX Station Area Plan, Oregon Chapter, APA
- 2001** Avila Beach Specific Plan, California Chapter, APA
- 2000** NASA Research Park Economic Development Workbook, Northern California Section, APA
- 1980s & 1990s** Woodland East Street Corridor Specific Plan, Sacramento Valley Section, APA
Stockton Waterfront Revitalization Strategy, California Chapter, APA
Presidio Main Post Marketing Campaign, National Association of Installation Developers
The California Affordable Housing Cost Study, California Chapter, APA

For more information regarding our firm, please visit our website at www.bae1.com.

Experience of Proposed Key Personnel

If selected as the preferred consultant, Matt Kowta, Managing Principal, will function as Principal-in-Charge for this assignment. Matt was the project manager for the 2018 *Assured Housing Feasibility Analysis* that this research seeks to update. Matt will be assisted by Aaron Nousaine, Associate Principal, who will function as BAE’s in-house project manager. Aaron is also familiar with the Grand County economic context through his recent work with the City of Moab on the newly established active employment housing requirement. Staff support for this assignment will be provided by Matt Fairris, Senior Associate, and Phuong (Nyny) Vu, Analyst. Figure 1 illustrates these relationships in a project organizational chart. Full bios for all relevant staff are provided beginning on the following page.

Figure 1: Project Organizational Chart



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Matt Kowta, MCP
Managing Principal



Education

Master of City Planning,
UC Berkeley

Bachelor of Arts,
Geography, UCLA

Professional Experience

For over 25 years, Matt has pioneered innovative techniques in economic analysis to meet the challenges of contemporary urban development. Matt oversees consulting operations spanning all of BAE's offices, supporting clients with expertise in development feasibility and market analysis, affordable and workforce housing, public finance and fiscal impact, and strategic economic development.

Matt has managed numerous studies relating to affordable housing, workforce housing, inclusionary housing policies, and housing impact analyses. He also has extensive experience modeling development feasibility for housing ranging from single-family and townhouses to high density multifamily projects. Since 2016, he has provided the Town of Windsor with on-call technical services to support the Town's affordable housing efforts, including helping to renegotiate the housing affordability requirements for a large multifamily project, developing and assisting with two NOFA rounds for the Town's affordable housing fund, and evaluating developer responses. Matt is currently leading BAE's work assisting Palm Beach County, Florida with a workforce housing program update.

Matt has managed housing-related studies throughout California and he is currently managing BAE's work for HCD as a subcontractor for the California AI and AB 686 implementation. He has completed other projects in diverse locations including OR, WA, FL, UT, MN, NY, and CO.

Assured Housing Study

City of Moab and Grand County, UT
Residential and Commercial Market Analysis; Financial Feasibility; Density Bonus Analysis; Residential and Commercial Linkage Fee.

Inclusionary Housing Policy and On-Call Technical Services

Town of Windsor, CA
Affordable and Workforce Housing Need; Inclusionary Housing Nexus; Financial Feasibility Analysis; Negotiation Support; NOFA and Proposal Evaluation; Funding Recommendation.

Inclusionary Housing Policy Update

City of Sacramento, CA
Affordable and Workforce Housing Need; Inclusionary Housing Nexus; Financial Feasibility Analysis.

Innovative Housing Options Study

City of West Hollywood, CA
Housing Needs Assessment; Housing Types Evaluation; Financial Feasibility Analysis; Policy.

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bae urban economics

Aaron Nousaine, MCRP
Associate Principal



Education

Master of City and
Regional Planning,
UNC Chapel Hill

Bachelor of Science,
Political Economy,
CSU Monterey Bay

Professional Experience

Aaron has more than 15 years of experience in the field of affordable and workforce housing, economic development, revitalization/redevelopment, and planning. As Associate Principal, Aaron plays a key role in the day-to-day management of BAE's broad portfolio of consulting assignments. While Aaron conducts technical analyses across BAE's full range of services, he also specializes in inclusionary housing and business linkage fee analysis, affordable and workforce housing needs assessment, mixed-use and transit-oriented development financial feasibility analysis, fair housing assessment, economic and fiscal impacts.

Aaron has provided economic analysis in support of numerous inclusionary housing policy updates and business linkage fee studies, including recently for the Town of Windsor in California, the City of Bloomington in Minnesota, and for Palm Beach County in Florida. Aaron also recently worked with the City of Moab, Utah, on a partial update of the 2018 Moab and Grand County Assured Housing Study, as well as analysis intended to inform the City's recently adopted Active Employment Households requirement for new developments.

Aaron also has extensive experience preparing affordable and workforce housing needs assessments in communities with visitor oriented economic fundamentals (e.g., second home demand, short-term rentals, etc.), including within the Lake Tahoe region, California's North Coast (e.g., Eureka), Los Angeles and San Diego, and the Pacific Coast of Florida, among other tourist destinations.

Active Employment Housing Requirement

City of Moab, UT
Assured Housing
Market Conditions
Update; Case Study
Analysis; Induced
Workforce Housing
Need; Workforce
Housing Need at
Community Buildout.

Inclusionary and Business Linkage Fee Update

Town of Windsor, CA
Affordable and
Workforce Housing
Need; Inclusionary
Housing Nexus;
Business Linkage Fee
Analysis; Financial
Feasibility Analysis;
Negotiation Support;
NOFA and Proposal
Evaluation; Funding
Recommendation.

Inclusionary and NOAH Housing Policy

City of Bloomington,
MN
Housing Needs
Assessment;
Inclusionary Housing
Nexus; Financial
Feasibility Analysis.

Workforce Housing Policy Update

Palm Beach County, FL
Workforce Housing
Needs Assessment;
Inclusionary Housing
Nexus; Financial
Feasibility Analysis;
Compliance Options.

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bae urban economics

Matt Fairris, MCP
Senior Associate



Professional Experience

Matt Fairris is a Senior Associate with BAE and provides research and analytical support for BAE's consulting assignments throughout the Country. He specializes in pro forma feasibility modeling and market analysis in support of affordable and market-rate residential development advisory.

His recent experience includes market analysis and financial feasibility analysis in support of revisions to local inclusionary housing ordinances and in-lieu fees in South San Francisco, Windsor, and Stockton. He also conducted in-depth residential development modeling and developer solicitation for public sector site dispositions, including the State of California Excess Sites program, Alameda County's Broadway Sites in Downtown Oakland, and several Santa Clara Valley Transit Authority-owned sites, among others. Matt also contributed to neighborhood-level market analysis and financial feasibility analysis of various residential, commercial, and industrial prototypes in support of community benefit policy analysis. These include studies in the Eastern Neighborhoods of San Francisco, and the Route-1 South Plan Area in Alexandria, Virginia.

During his time at UC Berkeley, Matt was part of the winning team in the Bank of America Low-Income Housing Challenge and the Big Ideas competition, both focusing on innovative approaches to providing affordable housing in a diverse range of locations. Matt also teaches a real estate finance course in the Department of Urban and Regional Planning at San Jose State University.

Inclusionary Housing Feasibility Study

City of South San Francisco
Inclusionary Housing and In-lieu Fee; Financial Feasibility Analysis.

Inclusionary Housing Feasibility Study

Town of Windsor
Market Analysis; Inclusionary Housing and In-lieu Fee; Financial Feasibility Analysis; Developer Solicitation.

Inclusionary and NOAH Housing Policy

City of Bloomington, MN
Housing Needs Assessment; Inclusionary Housing Nexus; Financial Feasibility Analysis.

Excess Sites Disposition

State of California
Market Analysis; Affordable Housing Financial Feasibility Analysis; Site Disposition Strategy and Negotiation.

Education

Master of City Planning,
UC Berkeley

Bachelor of Science,
Environmental Policy
Analysis and Planning,
UC Davis

San Francisco

2560 9th St., Suite 211
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Sacramento

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Los Angeles

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Los Angeles, CA 90013
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Washington DC

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Washington, DC 20002
202.588.8945

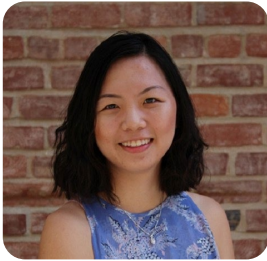
New York City

234 5th Ave.
New York, NY 10001
212.683.4486

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bae urban economics

Nyny (Phuong) Vu Analyst



Education

Bachelor of Science,
Environmental Science
and Management

Professional Experience

Nyny (Phuong) Vu brings a strong foundation in research, complex database development, and geospatial analysis to consulting assignments across the BAE's full range of services.

Nyny provides data collection and analysis to support BAE's work on affordable and inclusionary housing studies throughout California and the U.S. Her work for recent housing studies includes collection of demographic and economic data through primary and secondary research techniques and analysis of housing sales data for the Cities of Los Angeles, Truckee, and Windsor, and the El Dorado County in California and the City of Montgomery in Maryland. In addition, Nyny also recently provided analytical support for the Active Employment Housing requirement in Moab, Utah, which assessed the economic impacts of workforce housing policy in the City.

Nyny will be pursuing graduate education with the UC Berkeley Department of City and Regional Planning. Prior to joining BAE, Nyny worked as a Research Associate with the University of Santiago de Compostela in Spain. She was also a Parks Planning intern for the City of Sacramento Department of Youth, Parks, and Community Enrichment and a GIS intern for the Sacramento Area Council of Governments (SACOG). Nyny holds a Bachelor of Science in Environmental Science and Management with a minor in Spanish from the University of California, Davis.

Active Employment Housing Requirement

City of Moab, UT
Residential Market
Analysis; Real Estate
Research and
Outreach.

Housing Nexus Study

City of Dallas, TX
Residential Market
Analysis; Real Estate
Research.

Inclusionary Housing Study

City of Los Angeles, CA
Residential Market
Analysis; Land Cost
Research.

Inclusionary Housing Study

City of Windsor, CA
Residential Market
Analysis; Land Cost
Research.

Housing Market Study

El Dorado County, CA
Residential Market
Analysis; Real Estate
Research and
Outreach.

Housing Market Study

Montgomery County,
MD
Residential Market
Analysis; Real Estate
Research and
Outreach.

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New York City

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New York, NY 10001
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Previous Experience Working with Locality

BAE's recent experience working in Grand County includes preparation of the 2018 Assured Housing Feasibility Analysis for the City of Moab and Grand County (mentioned in the RFP), as well as our more recent work with the City of Moab on development of their Active Employment Housing requirements. The following are brief descriptions of each of these research efforts.

Assured Housing Feasibility Analysis
City of Moab and Grand County, UT

Completed May 2018



Facing intense market pressures due to a booming tourist economy and limited construction of new workforce housing, the City of Moab and Grand County retained BAE to prepare a feasibility study for implementation of assured housing policies. In the first part of a two-phase study, BAE first conducted a detailed market analysis and affordable housing needs assessment, to identify housing affordability gaps in the local market rate single-family and multifamily housing supply. BAE prepared financial feasibility development pro-formas for a range of real estate product types, including single- and multifamily housing, retail, office, and lodging uses, to identify their ability to incorporate payment of assured housing (i.e., housing in-lieu) fees to mitigate for impacts on below market-rate housing demand. Based on the findings from the phase one analysis, BAE's second phase analysis analyzed the maximum justifiable assured housing requirements (inclusionary percentages as well as in-lieu fee levels) and compared those to the maximum financially feasible fee levels as identified in the phase one pro-forma analyses. From these findings, BAE recommended assured housing fee levels and also provided recommendations for program implementation that would help the jurisdictions achieve affordable housing goals while not excessively burdening market rate development and providing flexibility in how projects comply with requirements.

Client Contact:

John Guenther, Director of Planning
Grand County
125 East Center Street
Moab, UT 84532
(435) 259-1343
jguenther@grandcountyutah.net



The City of Moab retained BAE in early 2022 to prepare an economic analysis in support of the City's proposed Active Employment Housing Ordinance. The intent of the Active Employment Housing Ordinance is to require that new housing developments set aside a specified share of the proposed units for Active Employment Households (AEHs). The ordinance is being put forward in the interest of ensuring long-term workforce availability in Moab, with a goal of balancing tourism-based demand for accommodations and services with the needs of the businesses and workers. The research was divided into two phases. The first phase reviewed workforce housing policies being implemented in the Towns of Breckenridge and Vail, as well as Summit County in Colorado; the Town of Truckee and Placer County in California; and in Whistler, British Columbia. The second phase of the research evaluated projected workforce housing demand in Moab and estimated the share of the City's remaining buildout capacity that should be set aside for AEHs in order to offset induced demand for workforce housing resulting from residential development, and to offset resident workforce demand at full non-residential buildout. The results of BAE's research then helped to inform development of the City's draft policy.

Client Contact:

Cory Shurtleff, Planning Director
City of Moab
217 E. Center Street
Moab, UT 84532
(435) 259-5129
cshurtleff@moabcity.org

Firm's Previous Project Experience

Nexus Study Expertise

BAE has conducted numerous nexus studies to identify legally defensible and financially-feasible housing impact fees and inclusionary requirements. We are currently working on

inclusionary housing fee studies for the cities of Los Altos, South San Francisco, and Windsor in the greater San Francisco Bay Area of California, as well as two studies for the City of Los Angeles, including an update of our seminal 2016 inclusionary housing study. We have experience conducting similar studies dating back more than 20 years for numerous clients ranging from smaller jurisdictions like Truckee, California, to large cities like New York.

We are adept at conducting nexus studies that clearly demonstrate the link between new market-rate residential units or new commercial development and the need for affordable housing within the local community, using widely-accepted methodologies and precise analysis of local data to identify legally defensible and financially feasible inclusionary requirements and in-lieu fee rates. BAE uses the IMPLAN input-output model to forecast employee generation and ties this to local Public Use Microdata Series data related to household income, from the American Community Survey.

In addition to rigorous technical analyses to determine the legally defensible fee rates, our nexus studies evaluate local market conditions and policy objectives to recommend fee structures and on-site affordability requirements that are realistic and actionable. We have conducted extensive case study research on affordable housing linkage fees and inclusionary requirements, including in visitor oriented real estate markets like Moab and Grand County. BAE will draw on our extensive knowledge of housing impact fee and inclusionary housing best practices to recommend appropriate policies for Grand County.

Financial Feasibility Analysis Expertise

BAE routinely recommends that nexus studies include an analysis to establish the fee rates that are economically feasible, which allows cities to maximize fee revenue while minimizing the impacts on new development. Fee rates that exceed the feasibility threshold could limit or prevent new development, which in turn would prevent the City from collecting the fee revenues that new development could otherwise generate.

BAE has prepared over 250 financial feasibility analyses for various types of development projects, including financial feasibility analyses as part of our housing impact fee and inclusionary nexus studies. For the Los Angeles Affordable Housing Linkage Fee Nexus Study, BAE evaluated the financial feasibility of four residential product types and seven commercial uses, across the City's varied market areas, to provide targeted and feasible fee recommendations. For Palm Beach County, BAE evaluated four different development prototypes with eight different policy iterations, resulting in 32 unique pro forma financial models. BAE was more recently retained by the California Department of General Services to evaluate the financial feasibility of new affordable and workforce housing projects being proposed on government owned property, including evaluation of developer pro forma financial models for errors and opportunities for improvements that might further the public interest. BAE is also currently preparing financial feasibility models to test the ability of new development to absorb new inclusionary housing in-lieu and business linkage fees in South

Lake Tahoe, California, in an effort to identify options for establishing new dedicated funding sources for affordable and workforce housing.

BAE's substantial experience in financial feasibility analysis represents a considerable asset for the Grand County's Assured Housing Policy update. We understand the factors that impact development feasibility, enabling us to develop real-world estimates of feasible commercial and residential fee rates and the proportion of on-site affordable residential units that developers can contribute to support the community's affordable housing goals.

Los Angeles Housing Linkage Fee Study
City of Los Angeles

Completed September 2016



BAE completed the City of Los Angeles Affordable Housing Linkage Fee Nexus Study. This landmark work, completed in less than five months, was prepared as three key components: a detailed nexus study for both commercial and residential linkage fees resulting in calculations of maximum legal fee levels by land use, a real estate market analysis based on CoStar and CoreLogic sales data and REIS rent data (residential) used to categorize 144 neighborhoods into low, medium, or high market condition, and a financial feasibility analysis of 7 commercial prototypes and 4 residential prototypes across the market condition categories to test the maximum feasible fee. The study also estimated annual linkage fee revenues under four proposed Fee Options. Background work included over 20 case studies of cities in California and elsewhere with linkage fee programs.

As part of the study, BAE also organized and co-facilitated three workshops which invited more than 50 developers, housing advocates, and academics to engage in the study process. Additional direct interviews with leading Los Angeles commercial and market-rate residential developers were also conducted to firm up assumptions and obtain feedback.

Although multiple options for structuring the fee were presented in the report, the actual implementation has proved challenging for the City. BAE proposed multiple ways to structure

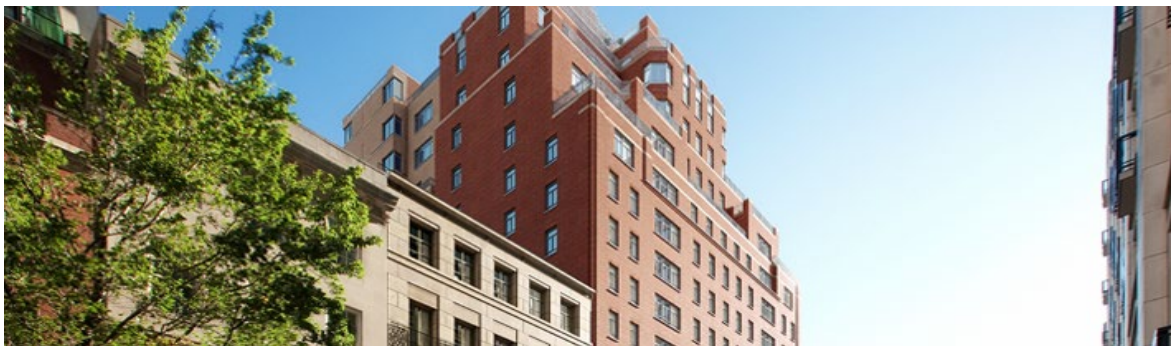
the fee, including an option to charge a low, flat fee throughout the City or tier the fee based on market conditions. After significant deliberation, the City decided on a flat fee for administrative ease and in response to developer concerns. BAE has been supporting the City through the implementation process.

Client Contact:

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City of Los Angeles
200 North Spring Street
Los Angeles, CA 90012
(213) 978-1213
Claire.bowin@lacity.org

NYC Inclusionary Housing Study
NYC HPD, NYC DCP, and HDC

Completed March 2016



BAE conducted an extensive feasibility study of potential Mandatory Inclusionary Housing policies under consideration by the de Blasio administration. BAE worked with a large staff Working Group comprising department representatives from three agencies: NYC Housing & Preservation Department, NYC Department of City Planning, and NYC Housing Development Corporation. The Study commenced with an extensive demographic and market analysis of NYC's housing market by neighborhood, utilizing DCP's Neighborhood Tabulation Areas (NTAs). During this initial period, BAE also facilitated two large stakeholder meetings, with private sector residential and mixed-use developers, and with affordable housing advocates and experts. Additional personal interviews with developers, lenders, and appraisers were also conducted. The analysis for this phase resulted in a categorization of all NYC neighborhoods by market condition across a range of market strength from Very Strong to Weak. BAE also researched a comprehensive set of financial model inputs including construction costs, 421a program parameters, and rents/sale prices by building type and market area.

For the second part of the Study, BAE formulated a detailed cash flow model to accommodate and test an array of changes in zoning along with requirements for various levels of inclusionary housing affordable to low income households. BAE then used the cash flow

model to test over 1,000 scenarios with variables by building type, market area, presence of 421a tax benefits, and available affordable housing subsidies.

Because New York City covers a vast geography with variation between strong and weak markets, one challenge faced in this study was to develop a methodology to categorize neighborhoods across the five boroughs. Settling on an analytical unit required deliberation because too large of geographic unit would mean combining weak and strong markets; too small of a geography would mean sparse data at the expense of statistical significance. The project team settled on Neighborhood Tabulation Areas (NTAs), a DCP classification that divided New York City into 114 geographic units. BAE acquired point-level data for market rents and sales price per square foot, geocoded, and sorted by NTA.

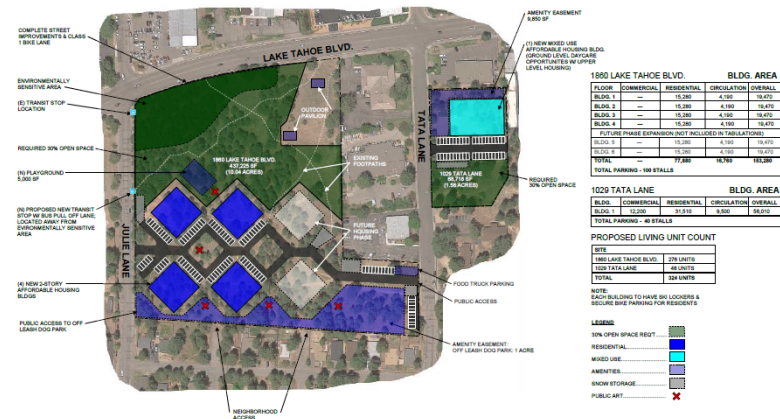
Client Contact:

Jim Quinlivan, Senior Vice President of Administration
 New York City Housing Development Corporation
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Excess Sites Program Implementation
 California Department of General Services

Completed March 2020

BAE recently supported the State of California for one of its most ambitious affordable housing initiatives. In early 2019, California Governor Gavin Newsom issued Executive Order (EO) N-06-19 that directed the State to identify excess real estate holdings that can be leveraged for the development of affordable and workforce housing. The EO required that the Department of General Services (DGS) begin offering property to affordable housing developers by no later than September 30, 2019. With the deadline to begin implementation looming, DGS solicited qualifications from a select group of highly regarded real estate advisory firms in concert with the Department of Housing and Community Development (HCD) for assistance with implementation of the new State Excess Sites Program.



Due to our housing and real estate advisory experience and expertise, as well as our well-established working relationship with HCD, DGS selected BAE to assist with implementation of the Excess Sites program. BAE's scope of work for this assignment includes assisting with development of criteria that DGS and HCD can use to evaluate and prioritize the release of sites for housing development. BAE then conducted market research and financial feasibility analysis to support development of multiple requests for proposals (RFPs) that DGS used to solicit interest from real estate developers. We leveraged our considerable experience to provide DGS and HCD with clear guidance regarding the evaluation of developer proposals and identification of requirements for inclusion in developer RFPs related ground leases and disposition and development agreements that protect the public interest while allowing for innovation in project design.

DGS issued the first developer solicitation on September 30, 2019, for a site located in the City of Stockton and selected Visionary Home Builders as the preferred builder in early 2020 from multiple proposals. BAE has since evaluated numerous proposals for affordable housing development on a variety of sites ranging up to 120 acres in size throughout the state, including in the cities of Costa Mesa, Sacramento, San Diego, San Francisco, and South Lake Tahoe, as well as on a site in unincorporated Lake County. BAE is currently working with DGS in a similar process for an industrial site in Chino.

Client Contact:

Jonathan Heim, Asset Enhancement Manager
Department of General Services
707 3rd Street, 5th Floor
West Sacramento, CA 95605
(916) 375-4125
jonathan.heim@dgs.ca.gov

Individual Project Experience

All individuals proposed for engagement on this project have been employed with BAE for many years; therefore no additional individual project experience is being reported.

Sub-Consultants

BAE does not currently propose to use any sub-consultants for the purposes of this assignment.

Additional Information

The RFP requirements for the proposal process are quite thorough. No additional information is being provided under this section.

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PROPOSED SCOPE OF WORK, TIMELINE, AND COST

As discussed in the RFP, recently adopted Utah legislation dictates that while Grand County must prepare an implementation plan for how the community will address housing needs at all income levels, the community cannot mandate that new residential developments include income-restricted (i.e., 80 percent of AMI or below) housing without provision of offsetting incentives as is often done under more traditional inclusionary housing policy models. For this reason, the County is updating section 6.15 of the Land Use Code (LUC). The research is also taking place concurrent with the County's ongoing General Plan update. For these reasons, the County is requesting a selective update and expansion of the Housing Nexus Study Phase I and II, also known as the Moab Assured Housing Study, prepared by BAE in 2018.

The following section of the proposal outlines BAE's proposed scope of work, schedule, and cost proposal for this assignment. We welcome the opportunity to further refine these materials upon selection by the County to ensure that the end work products best reflect the needs of the community and align with key legislative and community milestones.

Proposed Scope of Work

The following section identifies the specific steps that BAE proposes to take to complete the requested analysis.

Task 1: Project Kickoff Meeting

Under this task, the BAE team will participate in a virtual kickoff meeting with County staff to review the scope of work, schedule, and budget. The County and BAE will each identify a main point of contact and will discuss communication procedures. The group will also agree upon a schedule and format for periodic progress reports and deliverables. BAE will also request any relevant background materials that have not already been provided by the County, such as the Moab Area Affordable Housing Plan being prepared by the Moab Area Housing Task Force. The group will also discuss procedures for ensuring that the nexus and linkage fee study is appropriately coordinated with the ongoing LUC and General Plan updates. The group will also confirm the land uses to be included in the market analysis and nexus/linkage analyses.

Task 2: Update Workforce Housing Needs Analysis

Under this task, BAE will prepare an update to, and expansion of, the housing needs assessment prepared in 2018 as part of the Housing Nexus Phase I study. Per the RFP, the analysis will breakout estimated current and projected future housing need based on the following subgroups:

- a. Year-round workforce housing needs
- b. Seasonal workforce housing needs

c. Other resident housing needs

To do this, the analysis will leverage leading edge methods pioneered by BAE for use in markets with significant seasonal workforce housing demand. BAE will leverage data from the U.S. Census Bureau's (Census) Public Use Microdata Sample (PUMS) prepared for the 2018 Housing Nexus Study to identify the number of permanent resident households in Grand County that include at least one local worker by income level. BAE will compare the workforce household estimate to total households to estimate the number of other non-workforce households residing in Grand County. BAE will then leverage data from the Quarterly Census of Employment and Wages (QCEW) to estimate seasonal fluctuations in countywide employment by industry. BAE will then apply worker to household conversion factors developed from the PUMS data to identify seasonal housing demand by income level. To the extent possible based on the available data, BAE will also identify the extent to which households within each category are adequately served by the existing housing stock (e.g., the extent to which they face HUD defined housing problems, like overcrowding, inadequate facilities, and/or excessive housing cost burdens).

Once completed, BAE will prepare a narrative for inclusion in the draft report that identifies estimated current and projected future locals and workforce housing demand by type and income level and analyzes demand within the context of current real estate market conditions. More specifically, BAE will discuss the extent to which demand originating from different types of local and workforce households may align with different housing product types, such as long-term rental housing versus entry level ownership housing versus executive housing, etc. BAE will then use this information to outline the percent of new housing development that can be justifiably set aside for deed-restricted locals only housing as part of Task 4.

Task 2a: Employer and Employee Survey (OPTIONAL)

As an optional task, BAE will prepare hard copy and online survey instruments to survey employers and employees regarding housing needs and preferences. The results of the surveys will then be used to further refine the estimates of existing and projected year-round and seasonal workforce housing demand. BAE will submit draft surveys to the County, for review and comment. Upon receipt of comments, BAE will make revisions and submit the final survey instruments to the County.

The employee survey will inquire about topics such as the employee's work location, occupation, whether they have a single year-round job or work multiple seasonal jobs each year; overall household income level; place, type, and tenure of residence; living arrangements, household size, and other household characteristics; permanent or other place of residence; housing costs and affordability; and satisfaction with existing housing situation and preferences for different housing arrangements. In addition, the survey can include questions regarding respondent's experiences in searching for and securing suitable housing in Grand County. The business survey will question local

employers about their type of business; number and type of workers; seasonal versus year-round employee counts by job classification; perceptions about affordable housing needs; perceptions of workforce housing availability; projected employment growth; and impacts on employee recruitment and retention.

While BAE will develop a hard copy survey instrument, the SurveyMonkey online survey platform will be the primary mechanism for administering the surveys. The County will be responsible for distributing information about the survey to members of the public and the business community. Once the survey period has lapsed, BAE will enter data from any completed hard copy surveys and will download the compiled response data for analysis. Upon completing survey data entry and cleaning, BAE will analyze the data and prepare a brief memorandum summarizing the key data points.

Task 3: Update Housing Market Conditions Analysis

BAE will collect information from the Census regarding key demographic and housing market statistics in Grand County, including population and household growth, key household demographics (e.g., householder age, household size, etc.), housing units by type (e.g., single-family, multifamily, mobile home, etc.), household tenure, housing vacancy by type, etc. BAE will also review available information provided by the County regarding the prevalence of homelessness within the County and the valley overall, as well as characteristics of persons experiencing homelessness and their relative housing situations (e.g., seasonal camping for work, etc.). BAE will also collect information on current rental housing market conditions from CoStar, including number of units by size, average and median rent, vacancy rates, and deliveries of new units. Information on the for-sale market will be collected from ListSource, including average and median sale price by unit type and size. BAE will also interview up to five property managers and real estate brokers to get their perspectives on current market conditions and trends. As part of this analysis, BAE will explore and clearly identify the key drivers of demand for housing and home price appreciation in Grand County, including but not limited to population and employment growth, second home demand and wealth creation in nearby metropolitan areas, and institutional investment activity, among other factors.

Task 4: Update Workforce Housing Nexus (Policy A)

Concurrent with preparation of the updated workforce housing demand estimates and housing market conditions analysis, BAE will prepare a selective update of the residential nexus analysis based on calculations prepared in 2018. The analysis will include two components capturing two different interpretations of the relationship between new development and housing demand.

Task 4a: Workforce Housing Demand Through Buildout

For consistency with other regional efforts (i.e., Moab's Active Employment Housing requirements), BAE will request information from the County regarding the net remaining development capacity (i.e., total buildout capacity minus existing

development) that exists throughout the County under the existing LUC. BAE will then estimate the new population and employment increment through buildout and will apply household conversion factors prepared as part of the 2018 study to estimate additional housing demand through buildout by income level. BAE will use information from the market analysis to translate from household income level to tenure and housing type. BAE will then compare total workforce housing demand resulting from residential and non-residential buildout to the County's total housing capacity to estimate the share of the remaining buildout capacity to be set aside.

Task 4b: Workforce Housing Demand Induced by New Development

Under this task, BAE will also apply more traditional methods for preparing inclusionary housing nexus analyses that estimate the number of new housing units by income level and unit type that would need to be provided to mitigate for the induced employment impacts of new residential and non-residential development. BAE will do this based on induced employment figures prepared for the 2018 Housing Nexus Study Phase I and II. Under this task, BAE will also leverage information collected under task 5 to prepare updated estimates of the fee amount that may be charged to residential and non-residential development in-lieu of providing required housing.

Task 4c: Potential for Fee Waiver Options

Per the RFP, BAE will identify an assortment of options for potential waivers of workforce housing requirement in cases of economic hardship, as well as potential metrics that the County should monitor that could trigger suspension of the workforce housing requirement during economic downturns, as well as procedures for analyzing the policy periodically regarding effectiveness and appropriateness to the market.

Task 5: Evaluate Incentives Options (Policy B)

Recognizing recent changes to the statewide policy framework regarding moderate income housing, the County is currently considering options for leveraging the County's density bonus policy and opportunities for "up-zoning" to incentivize delivery of moderate-income and workforce housing. BAE proposes to assist the County in development and refinement of an updated density bonus/up-zoning policy by modeling up to four prototype development projects and evaluating the impact of different density and unit scenarios on financial feasibility. This approach will provide the County with a better perspective on the extent to which increases in density provide opportunities to generate 'excess' value that can be leveraged for community benefits, including moderate-income and/or workforce housing. BAE will conduct research regarding the cost and revenues associated with new development for the four identified land use types and will evaluate the extent to which each prototype is financially feasible under current market conditions, as well as the extent to which each prototype may be able to absorb the imposition of additional in-lieu and linkage fees. BAE will also conduct sensitivity testing to identify changes to each prototype that improve feasibility and increase the ability to absorb the cost of additional in-lieu and linkage fees, or costs

associated with construction of required locals only or moderate-income housing units. BAE will then evaluate the financial feasibility of each prototype under up to four different density and unit scenarios to identify the level at which a policy would successfully balance development feasibility/profit potential and community benefits. BAE will then identify options for updating the County's LUC and associated density bonus policy, as well as preferred deal terms that the County may consider incorporating into future development agreements.

Task 6: Prepare Draft and Final Reports

Upon completion of the prior tasks, BAE will compile a draft report that summarizes key findings from the above analysis. Upon receipt of one consolidated set of comments from County staff, BAE will revise the document and provide the County with a final report. BAE staff will attend one virtual meeting to discuss the draft report with County staff and up to two virtual meetings of the County Commission to present key findings and answer questions. BAE staff may be available to attend meetings in-person at an additional cost.

Potential Phase II Work

The RFP describes two potential phase II work products including an analysis of a deed restriction purchase program and an accessory dwelling units incentive program. BAE has recent experience conducting studies in both of these subject areas and is well positioned to assist the County in this regard. However, due to the potential complexity associated with preparing work scopes for these very different analyses, BAE has elected not to provide full scope and budget detail as part of this proposal. Nonetheless, we would welcome the opportunity to discuss these studies in more detail with County staff.

Resources and Availability

BAE has extensive experience in successful project management for both small- and large-scale projects spanning as little as a few weeks to multiple years. With five main offices and 14 professional staff, BAE has the staff capacity to assign personnel as needed to ensure availability of the required expertise and the efficient delivery of work products.

Most BAE staff handle several projects at one time, with varying timelines, each project typically has a duration of a few weeks to a year or more. These varying timelines, and the large number of staff allows us to rearrange each staff member's workload as needed. Each BAE office uses weekly staff meeting to review staffing assignments, monitor budget utilization and progress on projects, and provide additional staff resources as needed to meet project timelines, expertise requirements, and client expectations.

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Cost of Services to be Provided

The BAE team proposes to complete the scope of work described above on a fixed-fee basis for \$84,280, or \$67,840 excluding the optional employer and employee surveys. The total cost includes all direct and indirect costs, as well as all anticipated out-of-pocket expenses, such as data purchases, which are passed on without markup. Table 2, on the following, summarizes the component costs by task and staff person.

The total cost proposal for this effort is notable lower than previously proposed by BAE in April of 2022, prior to the issuance of the RFP. The reduction in cost is due to adjustments that BAE made to the scope of work to align with the range of services requested in the RFP, including adjustments to the approach for the nexus analysis and a reduction in the number of land use types to be included in the evaluation of potential incentive options.

Note that the current budget assumes that BAE will participate in project team meetings and public hearings in a virtual capacity. BAE staff are available to attend key public workshops and hearings in-person as needed at an additional cost of \$2,000 per trip, assuming four hours of staff time, plus airfare, car rental, and overnight accommodations.

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Table 2: Proposed Project Budget

Task	BAE Urban Economics				
	Managing Principal	Associate Principal	Senior Associate	Senior Analyst	Total
<i>hourly rates</i>	\$320	\$280	\$200	\$115	
1. Project Kickoff Meeting	1.00	2.00			880.00
2. Update Workforce Housing Needs Analysis	2.00	16.00	4.00	8.00	6,840.00
2a. <i>Employer and Employee Survey (Optional)</i>	1.00	24.00	24.00	40.00	16,440.00
3. Update Housing Market Conditions Analysis	1.00	8.00	8.00	40.00	8,760.00
4. Update Workforce Housing Nexus (Policy A)	7.00	16.00	8.00	0.00	8,320.00
4a. <i>Workforce Housing Demand Through Buildout</i>	2.00	8.00	6.00	0.00	4,080.00
4b. <i>Workforce Housing Demand Induced by Development</i>	1.00	4.00	2.00	0.00	1,840.00
4c. <i>Potential Fee Waiver Options</i>	4.00	4.00	0.00	0.00	2,400.00
5. Evaluate Incentive Options (Policy B)	6.00	40.00	60.00	80.00	34,320.00
6. Prepare Draft and Final Reports	2.00	16.00	8.00		6,720.00
Reimbursable Expenses					\$2,000.00
<i>Data Purchase</i>					\$2,000.00
Totals	\$6,400.00	\$34,160.00	\$22,400.00	\$19,320.00	\$84,280.00
<i>Total, Excluding Optional Tasks</i>	\$6,080.00	\$27,440.00	\$17,600.00	\$14,720.00	\$67,840.00

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Memorandum

To: Elissa Martin, Planning Director, Grand County Utah

From: Aaron Nousaine, MCRP, Associate Principal

Date: August 11, 2022

Re: Draft Scope of Work and Budget for Optional Phase II Analysis

Grand County issued a request for proposals (RFP) in July of 2022 for a consultant to prepare a *Local Housing and Affordable Housing Nexus Study and Linkage Fee Analysis*. In addition to the submittal requirements and desired scope of services, the RFP also references a possible Phase II research effort that would include to key components, including analysis of a possible deed restriction purchase program and an accessory dwelling unit (ADU) incentive program. As of August 10th, BAE was notified of the County's intent to award the Phase II contract. As part of that discussion, County staff also requested that BAE prepare a draft scope and budget for the Phase II research that may be incorporated into the service contract as optional tasks.

Scope of Work for Optional Phase II Analysis

The following tasks are divided into multiple subtasks recognizing that the requested analyses do not, in and of themselves, represent discrete actions, but rather end deliverables which require multiple steps to implement and prepare.

Task 1: Project Kickoff Meeting

BAE will participate in a virtual kickoff meeting with County staff to review the scope of work, schedule, and budget for the Phase II analysis. BAE will request any relevant background materials that have not already been provided by the County.

Task 2: Deed Restriction Purchase Program Analysis

Under this task, BAE will prepare an analysis of options for establishing a deed restriction purchase program designed to incentivize property owners, buyers, and developers to deed restrict housing units for full-time occupancy, possibly with additional requirements regarding resident workforce status. The purpose of the analysis is to identify potential parameters for the program and an estimated cost.

Task 2.a: Evaluate Residential Vacancy Trends

Under this task, BAE will evaluate the available data from the U.S. Census Bureau regarding residential vacancy status in unincorporated Grand County over time. This will include an evaluation of the size and characteristics of the available housing stock, with the intent of illustrating trends in housing production, the share of the housing stock that is occupied full-time, and the share of the housing stock that is vacant and/or occupied only seasonally. To the extent possible based on the available data, BAE will make distinctions between units in the for-sale versus rental housing markets, as well as between detached single-family homes and higher density housing types. The purpose of this analysis is to highlight changes in the share of the housing stock that is available for full-time occupancy and the rate at which existing and newly developed housing is being removed from the available housing inventory.

Task 2.b: Qualitatively Assess Impacts of Deed Restrictions on the Economy

BAE will conduct up to five interviews with local economic development professionals and key representatives from the business community to assess the extent to which a lack of adequate and affordable workforce housing options is impacting the availability and price of labor in Grand County. BAE will also conduct interviews with representatives from two peer communities that have successfully implemented

similar programs to identify ways in which the program impacted the local economy. Based on key findings from the interviews, BAE will prepare a summary of the economic costs and benefits that may accrue as a result of implementation of the deed restriction purchase program for inclusion in the draft and final reports.

Task 2.c: Identify Deed Restriction Purchase Program Options

BAE will leverage work previously conducted in other communities to prepare a matrix that identifies an array of options and programmatic considerations commonly used for deed restriction purchase programs. The matrix will cover the array of housing types that may be eligible for the program (e.g., existing and/or newly constructed single-family, existing and/or newly constructed multifamily rental, second units, etc.), preferred program participants types (e.g., new home buyers, existing homeowners, residential single-family and multifamily developers, the Town of Truckee, etc.), and other programmatic options, such as local employment requirements (e.g., whether at least one person in the residence should be employed for a minimum number of hours within a specified area), income limits (e.g., whether residents of deed restricted units should be required to have a combined household income within a specified range), resale restrictions or value recapture clauses (e.g., a cap on annual appreciation that can be retained by the property owner upon sale, often instituted as a mechanism to maintain affordability), deed restriction renewal provisions (e.g., deed restriction to renew upon sale, first right of refusal for County purchase, etc.), and connections to other supportive financial programs or tools (e.g., down payment assistance, special mortgage programs, etc.). The matrix will provide a description of each option and a qualitative summary of relative pros and cons. BAE will provide the draft matrix and will facilitate one virtual meeting with County staff to discuss the matrix.

Task 2.d: Stakeholder Working Group Meeting Facilitation (OPTIONAL)

As an optional task, BAE will facilitate up to two virtual meetings of a local stakeholder working group to review key findings from tasks 1.a/b and the deed restriction purchase program options matrix prepared under task 1c. The purpose of these meetings is to inform stakeholders about the intent of the program and receive input regarding the community's priorities for the program. For example, while some communities like Vail, Colorado, have implemented programs that are quite broad in scope, others like Truckee, California, have structured their programs more narrowly. Differences in programmatic structure are generally reflective of community priorities (i.e., which housing needs are most important) and appetite for risk (i.e., the broader the parameters, the more risk for abuse of the program), which are highly unique. BAE will be available to facilitate and will prepare a presentation and other meeting content. County staff will be responsible for identifying and inviting potential participants and arranging all necessary scheduling and meeting logistics.

Task 2.e: Prepare Program Design Recommendations (OPTIONAL)

Upon completion of the prior tasks, BAE will prepare a summary of recommendations for the design of the deed restriction purchase program. This will include identification of anticipated participant types, housing types, occupancy and/or income restrictions, and annual acquisition targets based on funding availability. BAE will facilitate a virtual meeting with County staff to collect feedback and finalize recommendations.

Task 2.f: Participation in County Commission Meeting #1

Staff from the consultant team will virtually participate in one County Commission meeting following completion of the deed restriction purchase program analysis. The budget for this task assumes that County staff will prepare the staff report and presentation, with members of the consultant team available to answer questions. BAE staff may be available to attend meetings in-person at an additional cost.

Task 2.g: Prepare Draft and Final Reports

Upon completion of prior tasks, BAE will prepare a draft report summarizing key findings and recommendations from the analysis which will be provided to County staff for review in Microsoft Word format. Upon receipt of one consolidated set of comments on the draft report, BAE will revise the document and submit a final copy.

Task 3: Accessory Dwelling Unit (ADU) Incentive Program Analysis

Under this task, BAE will analyze the relative affordability of accessory dwelling units (ADUs) relative to workforce wages in Grand County to identify the extent to which Ads may help to address workforce housing needs within the community. The analysis will then also include an evaluation of construction costs for ADUs in Grand County and will identify potential points of intervention to facilitate construction and affordability.

Task 3.a: Evaluate Affordability of ADUs for Workforce Households

Under this task, BAE will research current market rate rents associated with ADUs and similar rental housing units in Grand County and will assess their overall affordability relative to the estimated workforce housing needs identified as part of the Phase I research effort.

Task 3.b: Evaluate Cost to Build an Average ADU

BAE will then request any information that the County may have readily available regarding the cost to develop an ADU based on recently submitted development proposals, including estimated costs associated with County imposed fees. BAE will also conduct up to five interviews with local builders to identify the current cost to construct an average ADU and will identify the relative cost reduction and/or subsidy that would be required to achieve the desired level of affordability. Based on the construction cost information collected under this task, BAE will recommend possible points of intervention (i.e., costs that the County may be able to influence using available grants or other funding sources).

Task 3.c: Prepare ADU Incentive Program Recommendations

BAE will then prepare a set of draft recommendations identifying ways in which the County may provide assistance to property owners interested in constructing ADUs. The analysis will also identify some of the common concerns expressed by residents in communities aiming to leverage ADUs to assist with the housing availability and affordability crisis, including concerns related to ADUs not being used for full-time housing (e.g., being left vacant or being used only occasionally by friends and relatives), as well as the relative affordability of ADUs.

Task 3.d: Prepare Draft and Final Reports

Upon completion of prior tasks, BAE will prepare a draft report summarizing key findings and recommendations from the analysis which will be provided to County staff for review in Microsoft Word format. Upon receipt of one consolidated set of comments on the draft report, BAE will revise the document and submit a final copy.

Proposed Budget

The BAE consultant team proposes to complete the above scope of work on a fixed-fee, percent of task complete basis with a total budget of \$62,480, including optional tasks, or \$55,520 excluding optional tasks. Table 1, on the following page, breaks down the budget by task and staff member with associated billing rates (rates are subject to revision on or after January 1, 2023). Miscellaneous expenses are passed through to the client with no markup.

Table 1: Proposed Budget for Phase II Analyses

Task	BAE Urban Economics				
	Managing Principal	Associate Principal	Senior Associate	Senior Analyst	Total
<i>hourly rates</i>	\$320	\$280	\$200	\$115	
1. Project Kickoff Meeting	1	2			\$880
2. Deed Restriction Purchase Program Analysis	11.5	68	34	12	\$30,900
2a. Evaluate Residential Vacancy Trends	0.5	2	4	8	\$2,440
2b. Qualitatively Assess Impacts of Program	0.5	24	16		\$10,080
2c. Identify Deed Restriction Program Options	0.5	6			\$1,840
2d. Stakeholder Working Group Meeting (OPTIONAL)	2	8			\$2,880
2e. Prepare Program Design Recommendations (OPTINAL)	2	8	6		\$4,080
2f. Participate in County Commission Meeting	2	4			\$1,760
2g. Prepare Draft and Final Reports	4	16	8	4	\$7,820
3. Accessory Dwelling Units Incentive Program Analysis	4	26	80	36	\$28,700
3a. Evaluate Affordability of ADUs to Workforce Households	0	2	8	16	\$4,000
3b. Evaluate Cost to Build an Average ADU	0	4	40	16	\$10,960
3c. Prepare ADU Incentive Program Recommendations	2	4	16	0	\$4,960
3d. Prepare Draft and Final Reports	2	16	16	4	\$8,780
Reimbursable Expenses					\$2,000
<i>Data Purchase</i>					\$2,000
Totals, Including Optional Tasks	\$5,280	\$26,880	\$22,800	\$5,520	\$62,480
<i>Excluding Optional Tasks</i>	\$4,000	\$22,400	\$21,600	\$5,520	\$55,520

EXHIBIT B
Certificates of Insurance