

**Attachment A-1 to Agreement Between County of Inyo and BAE Urban Economics
January 28, 2025-June 30, 2026**

SCOPE OF WORK:

Phase I – Regional Housing Needs Assessment + Market Analysis

Phase I of the project will include collection of background information necessary to inform preparation of the Action Plan under Phase II.

Task 1: Kickoff Meeting and Information Request

BAE staff will attend a virtual kickoff meeting with members of the CHC, including representatives from Inyo and Mono Counties, the Town of Mammoth Lakes, the City of Bishop, the Eastern Sierra Council of Governments (ESCOG), and SMR Development. The purpose of this meeting will be to review the work scope and schedule, discuss project logistics and coordination, plan for the first community workshop, and to provide BAE with any relevant background materials and locally available datasets (e.g., building permit data, planned and proposed project inventory, assessors' parcel data, zoning and land use data, short-term rental permit data and transient occupancy tax receipts, etc.). The CHC may request modifications to the Study Region (Inyo County and Mono County) and/or sub-area boundaries (Town of Mammoth Lakes, City of Bishop, etc.). BAE will also provide the CHC with updated copies of the employer and employee survey tools for review and comment.

Task 2: Review Background Materials

BAE will review background materials provided by the CHC regarding affordable and workforce housing needs and policies within the Study Region, including but not limited to:

- 2005 Inyo and Mono County Housing Needs Assessment
- 2017 Mono County Housing Needs Assessment and Resident Survey
- 2017 Mammoth Lakes Housing Needs Assessment and Action Plan
- 2019-2027 Town of Mammoth Lakes Housing Element
- 2019-2027 City of Bishop Housing Element
- 2019-2027 Mono County Housing Element
- 2021-2029 Inyo County Housing Element
- 2022 Downtown Bishop Specific Plan and Mixed-Use Overlay
- 2022 Evaluating Infill Housing Opportunities to Reduce Inyo County per Capita VMT
- 2024 Town of Mammoth Lakes Short-Term Rental Study
- 2024 Mono County Short-Term Rental Housing Study

Task 3: Identify Current Demographic and Economic Trends

BAE will collect relevant statistics regarding community demographics, household composition, regional employment and commuting patterns, housing inventory characteristics, and housing market conditions from the 2010 and 2020 Decennial Census, as well as the most recent available American Community Survey (ACS), and will consult with members of the CHC (and

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the ESCOG in particular) regarding known errors and shortcomings associated with these data sets. BAE will also leverage other demographic and economic data source, as needed, including data available from the California Department of Finance (DOF), Department of Transportation (Caltrans), Employment Development Department (EDD), Department of Tax and Fee Administration (CDTFA), the U.S. Postal Service (USPS), and U.S. Bureau of Labor Statistics (BLS), as well as a variety of available private data sources such as CoStar, ListSource, and AirDNA. Data will be collected for the Study Region and established subareas. Some selected data may also be collected at the Census Block Group and/or Tract level to facilitate preparation of thematic maps.

The specific variables collected using publicly available data sources will include, but shall not be limited to, total population, age distribution, racial and ethnic distribution, seasonal population changes, number of households, households by income category, household size and type, occupied housing units by tenure (e.g., renter occupied, owner occupied, vacant), households by presence of housing problems,¹ housing units by type (e.g., single-family, multifamily, etc.), employment by industry (both monthly and annual for the two counties and incorporated cities), unemployment and labor force trends, occupational employment characteristics, regional commuting patterns, sales tax and transient occupancy tax trends, housing units by type of vacancy (e.g., functional vs. seasonal, etc.), and housing units by size. As an additional no-cost option, BAE can also supplement information previously collected for Mono County (i.e., add in data for Inyo County) regarding change of address requests submitted to the U.S. Postal Service (USPS) to assess the order of magnitude of in- and out-migration that occurred in recent years and a result of COVID-19 induced regional migration.

Additional data on recent trends in the for-sale and rental housing markets will be collected from private data vendors and various other local sources. For example, BAE will process and review information on residential purchases available through ListSource, a private data vendor, to identify trends in home sales volumes and pricing by subarea and asset class. BAE will also review the available data from CoStar on inventory and pricing trends within the multifamily rental housing market, but will also conduct primary research to identify private rental listings for single-family homes and condominiums that are for rent within the study area. BAE will also interview real estate brokers and property managers to assess trends in the housing market. Data on the tourist accommodations inventory will be collected from the local tourism bureaus (i.e., Visit Mammoth and Visit Bishop), as well as from CoStar for the hotel inventory and from AirDNA for the short-term rental industry. BAE will also request information on recent building permit trends and residential development projects planned for construction in the study area, as well as any non-residential projects that would involve a significant increase in local or regional employment (thereby creating new housing demand).

¹ As defined by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau.

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In addition to collecting the above data on household demographics and housing market trends, BAE will calculate the relative for-sale home prices and rental rates that may be affordable at different income levels, as well as the income that would be necessary to reasonably afford market rate housing within each market segment using industry standard methods and loan underwriting criteria, including the California State income limits.

Task 4: Community Outreach and Stakeholder Surveys

To collect additional information necessary to interpret the quantitative data collected under Task 3, which will also be needed to complete the housing need estimates under Task 5, BAE will complete a series of interviews and will administer a pair of custom survey tools.

Task 4a: Real Estate Industry Interviews

Under this task, BAE will conduct one-on-one and/or group interviews with up to 20 individuals knowledgeable about local housing market conditions and trends. This will include real estate brokers and property managers, as well as housing advocates, policymakers, and housing program administrators. The interviews may be conducted in-person or virtually (either by phone or web meeting), as dictated by the schedule and budget. BAE will work with the CHC as part of the kickoff meeting to identify potential contacts.

Task 4b: Employer and Employee Surveys

To collect information about the impacts of the workforce housing shortage on job creation, as well as on workforce housing preferences, BAE proposes to administer two concurrent surveys, one aimed at employers and the other at employees. These tools will be based on templates previously used by BAE for similar research but will be modified in consultation with the CHC prior to implementation. The survey tools will be made available online using the SurveyMonkey web platform, though hard copy surveys will be available upon request, as well as for use by partner organizations and agencies that would like to assist with survey implementation.

The CHC will compile available business license information and Chamber of Commerce member rolls, including mailing addresses and email addresses for businesses within the Study Region. If needed, BAE can also augment the data provided by the CHC with additional information available through Dun and Bradstreet (D&B), at an additional cost. BAE will then prepare a list of up to 400 businesses to invite to participate in the employer survey. BAE will then prepare customized survey packets for distribution to target employers via email and the USPS. Each information packet will include an introductory letter explaining the purpose of the survey and the uses of its data, including assurances of anonymity for all survey responses. The letter will give instructions for a business representative to fill out the employer survey and for the business to distribute the employee survey to its workers. The introductory letter will provide web links for the online employer and employee surveys and will also provide web links to download and print hard copy forms for both the employer and employee surveys, along with instructions to mail or email completed surveys to BAE for processing.

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In addition to requesting that businesses receiving the survey packets encourage their workers to respond to the employee survey, BAE will also strategize with the CHC to identify methods to publicize the availability of the employee survey through social media channels that would reach local employees independent of their employers. BAE will also work with the CHC to identify the most appropriate timing for administration of the employee survey to optimize the response rates for both year-round and seasonal employees (e.g., avoid the shoulder seasons when some year-round workers leave the area).

Once the survey period (approximately eight weeks) has lapsed, BAE will download all survey responses from the employer and employee surveys. BAE will also enter the data from any completed hard copy surveys returned to BAE via mail or e-mail. Upon completing survey data entry and cleaning, BAE will analyze the data for use in estimating demand for affordable workforce housing. An important goal of the survey work is to better understand the circumstances of workforce households and their housing needs, by income level.

Task 4c: Community Workshops

BAE will facilitate up to three in-person community workshops during Phase I which will be structured as presentations to members of the CHC, but will also be open to the public and will provide the public with opportunities to observe the process, learn from the information being presented, and provide their own input. The exact number of meetings and their locations will be up to the CHC, the proposed budget assumes the following:

Workshop #1 – Formally convene the CHC, provide a summary of the reasons for undertaking this work, introduce the consultant team, review the proposed process, scope of work, and schedule. Introduce the employer and employee surveys and begin soliciting support. BAE recommends holding this workshop shortly after the kickoff meeting, which can be used to coordinate the first workshop.

Workshop #2 – Present an interim update (with detailed slide deck) to the CHC on the Demographic and Economic Trends analysis and the stakeholder interviews. Announce plans for the employer and employee surveys.

Workshop #3 – Present on key findings (with detailed slide deck) from the community outreach interviews, prior CHC workshops, and the employer and employee surveys. Introduce the Phase II process.

Task 4d: Translation Services

For the purposes of facilitating workshops and other community outreach, BAE will provide Spanish language copies of public facing print and presentation materials, such as the survey tools, invitation letters, and presentation slides. The CHC will be responsible for coordinating and absorbing the cost of in-person Spanish language translations at each of the community workshops. BAE will provide Spanish language copies of the executive summaries for the Phase I and Phase II reports. A Spanish language copy of the full-text reports may be prepared upon request at additional cost.

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Task 5: Estimate and Forecast Housing Needs by Type

BAE will prepare estimates of the order of magnitude of housing demand originating from existing resident, non-resident, and seasonal worker households. These estimates will illustrate the relative magnitude of the mismatch between the available housing stock within the region and the types of housing units that may best suit the needs of the region's workforce. As a result, the estimates should not be interpreted strictly as the number of new units that need to be built, but as the number of units that need to be "made available" to meet the needs of the workforce. For example, a portion of the estimated unmet demand comes from households that live in housing units with inadequate kitchen and plumbing facilities, which are overcrowded, or in households that are significantly overpaying for housing. Therefore, a portion of the estimated unmet demand may be satisfied through programs aimed at residential rehabilitation and towards improving affordability within the existing rental and for-sale housing stock. Nonetheless, a portion of the identified unmet demand, notably the demand from non-resident in-commuter workforce households and households associated with new employment growth, must be satisfied through the provision of new units (e.g., either new construction or conversion of existing second homes).

Task 5a: Estimate Number of Resident Workforce Households

The first step in the process of estimating unmet workforce housing needs is to identify the number of existing resident workforce households. To do this, BAE uses the robust demographic data available through the U.S. Census Bureau Public Use Microdata Sample (PUMS). The PUMS data provide a sample of individual responses to the American Community Survey (ACS) for defined areas of 100,000 or more persons (Public Use Microdata Areas, or PUMAs), which allow the creation of cross-tabulations of data not otherwise available in the published ACS data tables. BAE will use the SPSS statistical software package to generate frequency counts of resident workers by occupation, household size, and combined household income. The data will then be adjusted to account for the number of workers in the Study Region compared to the PUMA analysis area. BAE will then use data from the Quarterly Census of Employment and Wages (QCEW) and the Census Bureau's Non-Employer Statistics, as well as a variety of other potential data sources like the employee and employer survey results, as needed, to adjust and reweight the distribution to align with the occupational employment distribution and household characteristics observed within the Study Region specifically. BAE will then use the resulting adjusted data to convert from resident workers to worker households by income level.

Task 5b: Estimate Number of Seasonal and In-Commuter Workforce Households

The next step is to estimate the number of seasonal workforce households living in the Study Region. This is done based on the total number of resident workers identified based in Task 5A, which represents an annual average. BAE will then adjust the total number of year-round resident workers downward, proportionate to the seasonal fluctuations in employment, to

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estimate the number of off-season resident workforce households, and upwards to estimate the number of peak season resident workforce households, based on QCEW and Census Non-Employer Statistics. The difference between these estimates equals the total number of seasonal workers that live in the Study Region. To estimate the number of households associated with the in-commuter workforce, BAE will apply the region's gross in-commuter rate, based on data from ESCOG and/or the U.S. Census Bureau, to the average annual resident workforce estimates. To convert from workers to workforce households, BAE will apply worker per household, total household size, and household income estimates derived based on the employee survey response data.

Task 5c: Estimate Unmet Workforce Housing Demand by Type

To estimate the anticipated housing demand generated by workforce households of all types, BAE makes the simplifying assumption that each household would occupy the smallest available unit, while simultaneously avoiding overcrowding (i.e., no more than two persons per bedroom, or more than one person per room). While many households prefer housing that is larger than the minimum necessary to avoid overcrowding, to the extent that housing affordability correlates with housing type and size, workforce households that are struggling to locate and secure housing often need to occupy smaller units than they might prefer. The unmet resident workforce housing demand estimates are subsequently based on estimates of total workforce housing demand from year-round resident worker households, multiplied by the proportion of households within each income category that experienced one of the four HUD defined housing problems, as reported in the HUD Comprehensive Housing Affordability Strategy (CHAS) dataset. Unmet seasonal and non-resident workforce housing demand estimates are based the proportion of seasonal and in-commuter survey respondents who indicated their preferred housing type and who would relocate to the Study Area if adequate housing options were made available.

Task 5d: Forecast Future Housing Needs by Type, Size, and Affordability Level

BAE will forecast anticipated future housing needs over the next five to ten years by housing type, household size, and affordability level. To do this, BAE will evaluate jobs by industry forecasts available from the EDD and Caltrans and will convert forecasted workers to forecasted workforce housing demand based on the distribution of workforce households by type (i.e., resident, seasonal, and in-commuter), household size, and income level, based on the distributions matrices compiled in Tasks 5a-d above.

Task 5e: Prepare Housing Need Estimation and Forecasting workbook

As a final subtask under Task 5, BAE will prepare a Microsoft Excel workbook similar to the attached example (see Exhibit D), that will allow the CHC to replicate the methods used for this study for future updates. The workbook will identify where the CHC should enter newly updated data and will identify the appropriate data sources and formats to be used. The

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workbook will also provide aggregations of the workforce housing need estimates by type of need, income level, and housing unit type and size, which may be used to create figures.

Task 6: Housing Funding/Financing Gap Analysis

BAE will prepare a set of tables that compare consumer spending power for housing at different income levels with the cost associated with providing housing. BAE will prepare a table illustrating the maximum rent that can be considered affordable at each income level, assuming 30 percent of income goes to housing with allowances made for utilities. BAE will then calculate the amount of permanent debt that could be supported based on the rent that is affordable at each income level. BAE will also calculate the maximum for-sale home purchase prices that could be considered affordable at each income level based on prevailing mortgage lending terms. BAE will then compare the debt that would be supportable by rental income or the for-sale purchases price at each income level to the cost of providing different types of housing (e.g., single-family homes, ADUs, apartments, condominiums, etc.). The difference between what the consumer can afford to support and the cost of providing housing is known as the financing gap, which would need to be closed through some form of subsidy or cost reduction to make development financially feasible. The financing gap estimates and the housing need estimates, when combined, provide perspective on the order of magnitude cost associated with providing housing sufficient to meet the estimated and forecasted need.

Task 7: Prepare Draft and Final Regional Housing Needs Assessment Report

Concurrent with completion of Tasks 1-6, BAE will prepare a report that summarizes the data collected and identifies key findings. BAE will provide an *Administrative Draft* report to SMR Development for review. Upon receipt of comments, BAE will prepare a *Review Draft* report for circulation to the CHC. Upon receipt of one consolidated set of comments from the CHC, prepared by SMR Development, BAE will revise the *Review Draft* report and prepare a *Final* report for public distribution and use during the action planning process.

Phase II – Eastern Sierra Regional Housing Action Planning Process

Phase II of this scope of work will include preparation of a Regional Housing Action Plan.

Task 10: Facilitate a Regional Housing Action Planning Process

Upon completion of the Phase I research, BAE will facilitate up to three workshops with the CHC to review key findings from the Phase I research and discuss potential policy and program options for both local and regional implementation over a five-year Action Plan timeframe:

Workshop #4 – Discuss the spectrum of potential policy and program solutions that would meet the needs identified through the Phase I research. Receive guidance regarding which approaches may warrant consideration. Gain an understanding of what additional information the CHC members may need in order to build consensus around solutions.

Workshop #5 – Report back on the additional information that was requested by the CHC and receive additional guidance regarding which approaches may warrant inclusion in the draft

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Action Plan. Identify which solutions can be implemented right away, versus those that require additional research and preparation prior to implementation. The CHC will begin to assign roles and responsibilities and to discuss potential funding sources, with BAE serving in a consultation role.

Workshop #6 – Present the Review Draft Regional Housing Action Plan to the CHC and receive comments on the draft. Confirm that consensus of members. Receive public commitments to pursue near-term implementation.

Task 11: Prepare the Eastern Sierra Housing Action Plan

In preparation for the fourth CHC community workshop, BAE will prepare a slide deck summarizing the array of potential policy and program options that may warrant inclusion in the Regional Housing Action Plan. Upon receipt of comments from the CHC, BAE will conduct additional research and will refine the list of potential policy options. Upon completion of the fifth CHC community workshop, BAE will begin preparation of an *Administrative Draft Regional Housing Action Plan* for review by SMR Development. Upon receipt of comments from SMR Development, BAE will prepare a Review Draft Regional Housing Action Plan for review by the CHC and for presentation at a sixth workshop. Upon receipt of one consolidated set of comments from the CHC, prepared by SMR Development, BAE will prepare a Final Regional Housing Action Plan document for public distribution and implementation by the CHC.

Project Budget

BAE will complete the above scope of work on a percent complete basis for a fixed fee of \$193,175, as shown in Table 1 on the following page. Reported hourly rates include personnel and overhead costs, and are subject to revision on or after January 1, 2026. Revision to hourly rates shall not result in an increase in the not-to-exceed project cost, unless otherwise authorized by the client as a result of modifications to this scope of work. Travel costs and other expenses, such as data purchases, are passed through with no markup.

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Table 1: Project Budget

Task	BAE Urban Economics				(a)
	Principal	Director	Associate	Analyst	
<i>hourly rates</i>	\$320	\$295	\$180	\$125	
Task 1: Kickoff Meeting and Information Request	2				\$640
Task 2: Review Background Materials	16				\$5,120
Task 3: Identify Current Demographic and Economic Trends	32	6	60	80	\$32,810
Task 4: Community Outreach and Stakeholder Surveys	122		64	28	\$54,060
<i>Task 4a: Real Estate Industry Interviews</i>	30				\$9,600
<i>Task 4b: Employer and Employee Surveys</i>	40		40	16	\$22,000
<i>Task 4c: Community Workshops</i>	48			12	\$16,860
<i>Task 4d: Translation Services</i>	4		24		\$5,600
Task 5: Estimate and Forecast Housing Needs by Type	44	42	0	20	\$28,970
<i>Task 5a: Estimate Number of Resident Workforce households</i>	4	16		4	\$6,500
<i>Task 5b: Estimate Number of Seasonal and In-Commuter Households</i>	8	8		2	\$5,170
<i>Task 5c: Estimate Unmet Workforce Housing Demand by Type</i>	8	8		4	\$5,420
<i>Task 5d: Forecast Future Housing Needs by Type</i>	8	6		2	\$4,580
<i>Task 5e: Prepare Housing Need Estimation and Forecasting Workbook</i>	16	4		8	\$7,300
Task 6: Housing Funding/Financing Gap Analysis	2		8		\$2,080
Task 7: Prepare Draft and Final Regional Housing Needs Assessment Report	40	6	16	16	\$19,450
Task 8: Facilitate a Regional Housing Action Planning Process	88			16	\$30,160
Task 9: Prepare the Eastern Sierra Housing Action Plan	40	4		16	\$15,980
Reimbursable Expenses					\$3,905
Data Purchase and Subscriptions					\$2,000
Travel (e.g., mileage, accommodations, etc.)(b)					\$1,905
Total, All Line Items	\$123,520	\$17,110	\$26,640	\$22,000	\$193,175