



2023 Workforce Housing and Childcare Financial Report

Purpose

The purpose of this document is to provide a detailed financial report on the revenue and expenditures from the previous year's distribution of Workforce and Childcare Lodging Tax (6E) funds.¹

Funding decisions are made based on the evaluation of needs in the community and consideration of maximizing the impact of Workforce Housing and Childcare Lodging Tax (6E) funds. All funding decisions were made in accordance with the Intergovernmental Agreement between Larimer County and the Town of Estes Park and the adopted 2023 Annual Workforce and Childcare Funding Plan for Lodging Tax (6E) Funds.

Overview

In November 2022, residents living in the Visit Estes Park Local Marketing District voted to approve Ballot Initiative 6E to increase the lodging tax rate from 2% to 5.5%. This tax increase is expected to bring in approximately \$5 million in annual revenue to address workforce housing and childcare needs in the Estes Valley. The Town, in coordination with Larimer County, is charged with deciding how best to administer the revenue. At the Town, the Housing and Childcare Manager is responsible for coordination and oversight of the funding, partnerships, programs, and processes needed to ensure 6E funds are spent appropriately and as intended.

During its first full year receiving 6E revenue, \$5,309,126 of the projected \$5,375,000 from the 6E Lodging Tax Extension was passed through Visit Estes Park Local Marketing District to the Town of Estes Park. Consistent with the 2023 Funding Plan, 88% or \$4,711,821 of the revenue received by the Town was distributed to the Estes Park Housing Authority in 2023. The remaining 12% or \$597,305 was retained by the Town to be used to address childcare challenges. See Appendix B for Town 6E Fund Transfer information.

In 2023, Estes Park Housing Authority received a lump sum of the 88% of 6E revenue from January through July on August 10, 2023. At that time, funds were retained by the town to fund the Housing and Childcare Manager position before the distribution to EPHA. During the months of September through December 2023, 12% of 6E revenue was retained by the Town for childcare and 88% was transferred to EPHA.

¹ Due to remittance lags, annual financial reporting cannot be conducted alongside the Annual Funding Plan. Revenue for the last months of 2023 was not received by the Town of Estes Park until March of 2024. Therefore, reporting will occur annually in the first or second quarter of the following year. See the annual timeline in Appendix A.

Beginning in 2024, the Town retained all Housing and Childcare Manager funds for personnel costs and operations in January. For the rest of the year, the Town retains 12% each month, while 88% of 6E funds are distributed to EPHA.

Annual Financial Statement

2023 was the first full year 6E revenue was received by the Town. As a building year, funds were accumulated throughout most of the year leading up to the MOU and transfer of 6E funds to EPHA in July and the hiring of the Housing and Childcare Manager in August 2023. Most of the distribution of funds occurred between July and December 2023.

	Projected	Actual
REVENUE		
88 % Workforce	\$4,750,000	\$4,711,821
12 % Childcare	\$625,000	\$597,305
Total	\$5,375,000	\$5,309,126
EXPENSES		
Workforce Housing (Estes Park Housing Authority)		
Land and Property Acquisition	\$3,042,485	\$900,461
Predevelopment	\$647,079	\$3,250
Rental Assistance	\$200,000	-
Deed Restriction and DPA	\$300,000	-
Staffing and Administrative	\$364,402	\$39,039
Total	\$4,750,000	\$942,750
	<i>Fund Balance</i>	\$3,214,695
	Forward Commitments (Through August 2024)	\$5,090,796
Childcare (Town of Estes Park)		
Addressing Workforce Challenges	\$250,000	\$98,913
Facilities and Capital	\$200,000	-
Tuition Assistance	\$100,000	\$100,000
Out-of-School Programming	\$75,000	\$92,000
Total	\$625,000	\$290,913
	<i>Fund Balance</i>	\$306,392

Childcare Funding Distribution

In February 2023, Policy 225: Childcare Funding Guidelines and Funding Application was updated to include the distribution of 6E funds for childcare. This application process was the primary way of distributing 6E funds in 2023. The Policy states that Town may enter into agreements with partners, where funds may be transferred for particular purposes, including administrative costs associated with program management. This funding application was open throughout the year on a rolling application period. Nonprofit organizations, for-profit and nonprofit childcare providers, and local districts applied for Childcare Funding in 2023. Per Policy 225, all requests over \$10,000 are required to be reviewed and approved by the Town Board of Trustees.

The priorities presented in the 2023 Annual Funding Plan were consistent with what was presented in the ballot framework to include addressing workforce challenges, facilities and capital grants, tuition assistance, and supporting out-of-school programming. These priorities were based on the evaluation of needs in the community and maximizing the impact of Workforce Housing and Childcare Lodging Tax (6E) funds.

Future Annual Funding Plans will be informed by the upcoming Childcare Needs Assessment and Strategic Plan. Specific metrics of success will be developed using this plan. The Housing and Childcare Manager creates and administers structured programs to ensure that funds retained by the Town of Estes Park are distributed equitably and transparently to meet the strategic goals outlined in the plan.

6E funds for childcare were distributed to the following organizations:

Applicant	Distribution
Workforce Subsidy- YMCA of the Rockies	\$25,000
Workforce Subsidy- EPSD	\$34,000
Workforce Subsidy- Mountaintop	\$25,000
Mountaintop Workforce Grant	\$9,913
YMCA of the Rockies Recruitment and Retention Grant	\$5,000
EVICS Tuition Assistance	\$50,000
EVICS Tuition Assistance Administration	\$50,000
EVRPD Lil' Bobcat Cubs Den	\$17,000
Boys and Girls Club of Larimer County	\$75,000
Total	\$290,913

This total, \$290,913, is broken down into three priority areas – 1) Addressing Workforce Challenges, 2) Tuition Assistance, and 3) Out-of-School Programming, as follows:

1) Addressing Workforce Challenges

Goal: Develop programs to bridge the gap between what providers can afford to pay staff and what is considered to be a reasonable living wage.

Program	Distribution
2023 EC Workforce Subsidy	\$84,000
Mountaintop Workforce Grant	\$9,913
YMCA Recruitment and Retention Grant	\$5,000
Total	\$98,913

A pilot subsidy program, the Early Childhood Workforce Subsidy, was introduced to the Town Board in October 2023 to proactively distribute funds to childcare providers and provide stability during the winter months when providers generally experience more inconsistent enrollment and staffing. The pilot program was established to support Family Home providers and Childcare Centers. While Childcare Centers were the only providers eligible at the time of the application process due to their ratings, Family Home providers are eagerly working to become Quality Shines rated at a Level 2 so they can be eligible for future years.

This subsidy is intended to be open annually so that childcare providers can rely on these funds until more systematic structures are in place to provide sustainability in the childcare field. The 2023 Early Childhood Workforce Subsidy required that providers be on the Quality Improvement Plan with the state childcare agency and introduced a required minimum wage of \$20/hour for Teachers and \$16/hour for Aides and Paras. Of the three childcare centers that received the subsidy, early reports show that funds were used in the following ways:

- Mountaintop Childcare received \$25,000 and supplemented free childcare for their staff as a benefit. Three teachers received free childcare for their five children in total.
- YMCA of the Rockies, Beverly K. Booe Early Childhood Center received \$25,000, of which \$16,432.00 went toward increasing their seasonal teacher aide wages from \$14.42 to \$16.00, as well as subsidizing the salary of the Toddler Teacher.
- Park Place Preschool received \$34,000 to provide retention bonuses to teachers in Early Childhood.

Two small grants were distributed in early 2023 to address workforce challenges to Mountaintop Childcare and the YMCA of the Rockies.

Mountaintop was awarded \$9,913 in April 2023 to support the stability of their staff during the low-enrollment winter months. This funding agreement provided temporary payroll assistance to help maintain teachers and preserve licensed childcare spaces.

The second award was distributed to the YMCA of the Rockies in April 2023, as well. To recruit and retain staff for the emerging infant and toddler classrooms at the YMCA of the Rockies, the Town of Estes Park approved the distribution of \$20,000 in bonuses for infant and toddler teachers. \$10,000 was awarded for two \$5,000 recruitment bonuses for teachers with the stipulation that another \$10,000 may be awarded if the staff are there after twelve months.

Outcome: Through small grants and a pilot subsidy program, 6E funds have provided stability, recruitment, and retention of employees in the childcare field. Recipients of grants and the subsidy are required to provide a minimum wage of \$20/hour for teachers (a livable wage in Larimer County in 2023)

2) Tuition Assistance

Goal: Provide financial assistance for childcare to low- and middle-income families with children under 13 years old in the Estes Valley.

Program	Distribution
Tuition Assistance Awards	\$50,000
Tuition Assistance Administration through EVICS	\$50,000
Total	\$100,000

In July 2023, the Town of Estes Park granted EVICS Family Resource Center \$100,000 to support tuition assistance in the Estes Valley. This agreement outlined the use of funds to dedicate \$50,000 to tuition assistance awards, and \$50,000 to the organization for the

administration of the program. EVICS Family Resource Center utilized the \$50,000 to fund the position of Tuition Assistance Navigator.

The \$50,000 awarded by the Town of Estes Park to EVICS Family Resource Center supported the overall distribution of \$111,000 in assistance. Throughout the year, 36 children living and attending childcare in the Estes Park R3 School District received discounted tuition scaled based on the family's income.

Outcome: \$50,000 in tuition assistance awards was distributed to support discounted childcare tuition in August through December 2023.

3) Out-of-school Programming

Goal: Subsidize entities that provide out-of-school care during the summer months, before- and after-school, school breaks, and teacher professional development days.

Program	Actual Distribution
EVRPD Lil' Bobcat Cubs Den	\$17,000
Larimer County Boys and Girls Club	\$75,000
Total	\$92,000

Awards were distributed to support Out-of-School Programming to the Estes Valley Park and Recreation District and the Boys and Girls Club of Larimer County in 2023. Both of these funding awards increased the capacity for programming for after-school options for school-age children.

The Estes Valley Recreation and Park District was awarded \$17,000 for the expansion of the Lil' Bobcat Cubs Den program. The expansion included offering the program every day of the week for six 6-week sessions for 2024. This program offers an essential service for families with children 4-6 years old, as the Boys and Girls Club does not allow children under the age of 6 and children in Preschool cannot ride the bus. These funds supported families by providing free after-school care for 12 children per session. There were three 6-week sessions offered in the spring semester of 2024 and all were full.

As a full-time working family in the Estes Valley, we love Cubs Den! The after-school program relieves the stress of cobbled together after-school care for our preschoolers. Remi loves to play with his friends and enjoys the crafts planned by instructors

-Katie

The Boys and Girls Club of Larimer County was awarded \$75,000 to stabilize its existing workforce and expand its programming to serve the waitlist and provide summer programming.

Outcome: Awards to two existing organizations provided funding for the expansion of programming to serve an additional 36 children under the age of 6 and increase wages for staff.

2023 Childcare Summary

Key priorities were identified in the framework for the initial ballot language and carried over into

the inaugural year of planning with specific funding amounts for each priority. While the priorities remain, the implementation of programs, specific details of programs, and measuring the success of those programs will continue to evolve and become more strategic. While programs were developed in 2023, many lessons were learned and more will come through the Childcare Needs Assessment and Strategic Plan. A healthy fund balance of \$306,392 allows for saving for larger facility and capital expenditures in the future.

Workforce Housing Funding Distribution

In July 2023, the Town of Estes Park and Estes Park Housing Authority entered into an MOU identifying EPHA as the pass-through organization to receive 6E funds to address workforce housing challenges. The Estes Park Housing Authority received 88% of the 6E funds to govern funds under the Annual Funding Plan and clarifies the roles and responsibilities of transferring 6E funds to the Housing Authority.

The priorities presented in the 2023 Annual Funding Plan were consistent with what was presented in the ballot framework in 2022 to include land and property acquisition, predevelopment of property owned by the Town and Estes Park Housing Authority, the development of housing assistance programs, and increasing staffing to support these priorities. These priorities were based on the evaluation of needs in the community, the recently completed Housing Needs Assessment and Strategic Plan, and maximizing the impact of Workforce Housing and Childcare Lodging Tax (6E) funds.

The Estes Park Housing Authority’s focus in the deployment of 6E funding focused on three main areas in 2023:

- 1) Executing an agreement for the use of 6E funds for the creation and preservation of housing solutions.
- 2) Increasing capacity to deliver on the operating plan.
- 3) Take advantage of opportunities to landbank and/or purchase land for future development of housing.

Priority	Projected Allocation	Committed	Actual Distribution
Land/Property Acquisition	\$3,042,485	\$2,706,833	\$900,461
Predevelopment	\$647,079	\$194,689	\$3,250
Rental Assistance	\$200,000	\$75,000	-
Deed Restriction/DPA	\$300,000	-	-
Staffing/Administrative	\$364,402	-	\$39,039
	\$4,553,966	\$4,026,266	\$942,750

While actualized financial expenses compared to planned expenses related to workforce housing were minimal, the Housing Authority had fully committed \$4,026,266 in funds in 2023.

2023 was a foundation-forming year in the workforce housing space. In 2023, the Estes Park Housing Authority in coordination with the Town of Estes Park created a solid foundation

exponentially expanding our joint capabilities to deliver housing solutions. Below is a highlight of the foundational accomplishments either executed or largely committed to in 2023:

Land Banking/Property Acquisition

- o Grand Estates: 16 workforce apartments, approximately \$2,200,00

Predevelopment

- Castle Ridge
 - o Payoff: \$506,833
 - o Predevelopment: \$194,689

Rental Assistance

- Program: \$75,000

Land Banking/Property Acquisition

The 2023 Housing Needs Assessment and Strategic Plan informed the Annual Funding Plan on land and property acquisition, stating “Site control of developable land is one of the most critical strategies for addressing the housing challenge in the long term.”

The Estes Park Housing Authority (EPHA) was able to take advantage of several opportunities to successfully create or preserve existing workforce housing units.

The Housing Authority committed \$2.384 million to the purchase of Grand Estates Apartments. This transaction provided three main benefits:

- Added eight apartments to the workforce restricted inventory
- Ensured continued restriction on the existing eight restricted housing units
- Protected the long-term affordability of 16 workforce restricted housing units

Additionally, EPHA successfully completed the acquisition of 2.72 acres on Riverside Drive which EPHA anticipates developing 10-14 homeownership opportunities. EPHA also acquired vacant land on Mary’s Lake Rd. The parcel is 11.35 acres, and EPHA anticipates developing the site as mixed residential and anticipates a minimum of 22 additional housing units on the site.

The conversion of existing housing stock or similarly positioned assets to restricted housing units is another key strategy. As such, EPHA is under contract to purchase an existing lodging development, “Beaver Brook,” anticipating completing the acquisition in the second quarter of 2024 allowing for the conversion of these 20 lodging units to workforce housing. The property is set up as a mix of one, two, three, and one four-bedroom condo units.

Property	Expended Dollars	Committed	# Units
Grand Estates	\$164,000	\$2,384,047	16
Beaver Brook		\$1,781,500	20
<i>Mary's Lake (Acquisition only + carrying cost 2023)</i>	<i>\$492,818</i>		<i>22-64</i>
<i>Riverside (Acquisition only + carrying cost 2023)</i>	<i>\$243,642</i>		<i>10-12</i>
	\$900,460		

** 8 preserved, 28 new restricted to the workforce, 32-76 new workforce restricted development potential*

Predevelopment

The Housing Authority projects the creation of approximately 281 workforce housing units through the development of Town and Housing Authority-owned property. In 2023, 6E funds were used for the pre-development of the Castle Ridge Property. With the creation of the Real Estate Development Director position in 2024, many Town and Housing Authority-owned properties will be developed under the oversight of this role, including Fish Hatchery Housing Development, 179 Stanley Circle Drive, and recently purchased vacant properties such as Mary's Lake and Riverside.

Rental Assistance

In October 2023, the Housing Authority hired a Housing Program Manager to oversee the development and verification of workforce housing assistance programs. The development of a Workforce Rental Assistance program began in 2023 and committed \$75,000 to the program in 2024.

Deed Restriction Purchase and Down Payment Assistance Programs

The Housing Program Manager continues to evaluate and explore the development of a Deed Restriction Purchase Program and expands upon the existing Down Payment Assistance program offered through the Housing Authority.

Staffing and Administrative Support

In 2023, the Housing Authority hired a Housing Program Manager and posted the job opening for the Real Estate Development Manager.

The Housing Authority also hired a Director of Real Estate Development in 2023, who joined the team in January 2024.

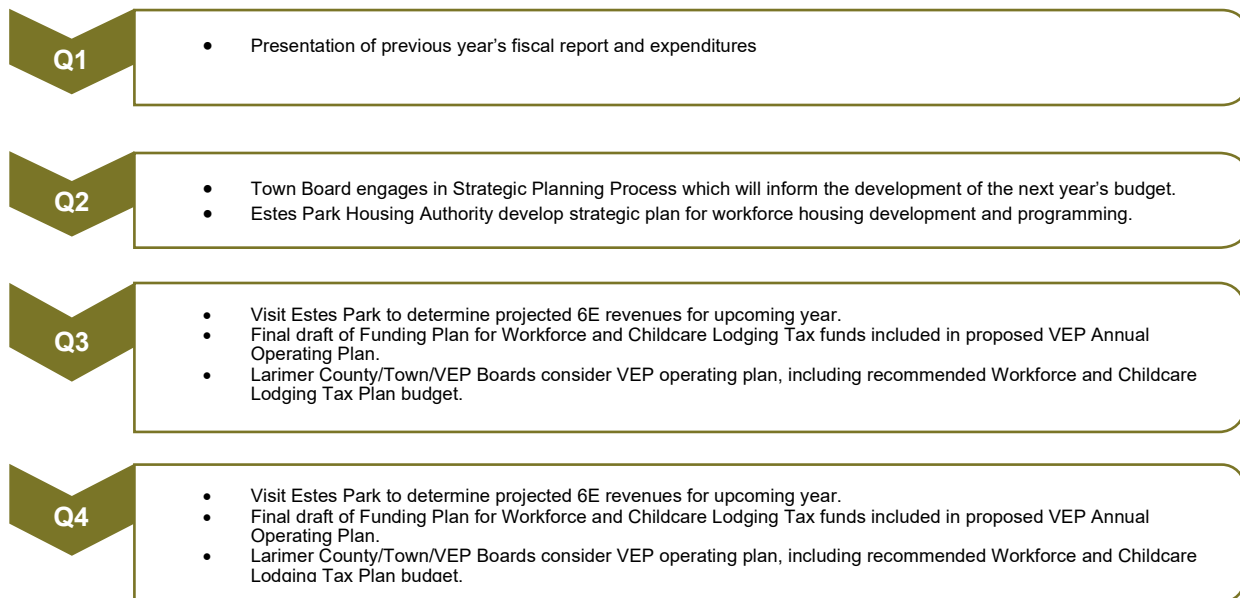
Workforce Housing Summary

While 2023 was expected to be a foundation-forming year, EPHA was able to take advantage of several opportunities to successfully create or preserve existing workforce dedicated housing units. The foundation laid in 2023 fostered our ability for accelerated growth and ability to execute our mission of providing housing solutions for our community. EPHA and our Board are excited as we move into 2024 both as we acknowledge our accomplishments in 2023 and look forward to solidifying new solutions in early 2024. Much work exists for our community to create housing solutions, but we look forward with optimistic eyes and a commitment to deliver the

solutions our community requires and requests us to provide by the passage of the Lodging Tax Extension.

Appendix A: Process for Development of the Annual Workforce and Childcare Funding Plan for Lodging Tax (6E) Funds

The graphic below outlines the high-level steps in the process for development of the 2024 Funding Plan and for future years. The process will be revisited annually in coordination with Larimer County. Changes to the process can be made at any time based on mutual agreement of the Town and County.



Appendix B: 2023 Town 6E Fund Transfer

	Total Lodging Tax Collections	Workforce Housing Component	H&C Manager Wages & Personnel Costs	Operations (Office Supplies / Equip / Etc.)	Housing Authority Contract	Amount Remitted	Date Remitted
Jan	112,084.81	98,634.63	56,265.49	8,800.00	33,569.14		
Feb	177,102.16	155,849.90	-	-	155,849.90		
Mar	248,368.34	218,564.14	-	-	218,564.14		
Apr	197,602.80	173,890.46	-	-	173,890.46		
May	328,199.39	288,815.46	-	-	288,815.46		
Jun	854,853.48	752,271.06	-	-	752,271.06	1,622,960.16	8/25/2023
Jul	857,480.66	754,582.98	-	-	754,582.98	754,582.98	9/20/2023
Aug	624,490.76	549,551.87			549,551.87	549,551.87	10/17/2023
Sep	982,465.85	864,569.95			864,569.95	864,569.95	11/16/2023
Oct	415,562.98	365,695.42			365,695.42	365,695.42	12/15/2023
Nov	217,160.10	191,100.89			191,100.89	191,100.89	1/18/2024
Dec	293,754.83	258,504.25			258,504.25	258,504.25	2/20/2024
TOTAL	5,309,126.16	4,672,031.01	56,265.49	8,800.00	4,606,965.52	4,606,965.52	

