

# **Visit Estes Park Lodging Tax Exploration Task Force Using HB22-1117 Funding for Workforce Housing and Childcare A Draft Model of Plans for Discussion**

## **Executive Summary**

The Visit Estes Park Lodging Tax Exploration Task Force is considering proposals to address Estes Valley workforce housing and workforce childcare needs. The final proposals would essentially be two businesses.

Addressing Estes Valley workforce housing needs could be considered a significant (massive?) business scale-up of the activities of the Estes Park Housing Authority. The scale-up may be 10 times current scale to oversee creation of 1,700 (at least) housing units.

Addressing Estes Valley workforce childcare needs could be considered a significant (massive?) business startup. Providing childcare to an estimated 270 children would be a major change from current services provided by multiple small operations.

One consensus on the required content of a sound business plan is the US Small Business Administration (SBA)'s business plan outline (see Attachment A). In the following draft model for discussion, the SBA business plan outline has been adapted to address business plan requirements for the proposed housing business scale-up and childcare business startup.

It is expected that subject matter experts would develop the required plan details, not the VEP Taskforce.

## **1. Overall Organization Plan**

- 1.1. Specify overall organization plan to address Estes Valley housing and childcare needs
  - 1.1.1. Entities, relationships, oversight (Including Town and County roles/relationships?)
  - 1.1.2. Will the Estes Park Housing Authority be responsible for addressing the housing needs?
    - 1.1.2.1. Modify governance if expanded to Estes Valley (County Board appointees?)
  - 1.1.3. What organization will be responsible for addressing childcare needs?
    - 1.1.3.1. Create an Estes Valley Childcare Authority?
  - 1.1.4. Description of the overall organization's products and services
  - 1.1.5. Legal structure
  - 1.1.6. Management and personnel (who, qualifications, compensation) including consultants
  - 1.1.7. Accounting (who, what system for financial records, analysis, costs)
  - 1.1.8. Insurance (types, costs)
  - 1.1.9. Fiduciary Organization (Estes Park, County, State?)
    - 1.1.9.1. What are the options for the fiduciary (collects and disperses lodging tax funds)?
    - 1.1.9.2. What are advantages and disadvantages of the fiduciary options (legal, costs, perception, etc.)?
    - 1.1.9.3. Specify the organization that will be the fiduciary for the funds raised by the lodging tax increase
    - 1.1.9.4. How will the division of funds between housing and childcare be determined?

## **2. Business Plan to Address Estes Valley Workforce Housing Needs**

### **Table of Contents**

- 2.1 Statement of purpose, objectives, why project will be successful?**
- 2.2 Organization Plan**
- 2.3 Market Assessment**
- 2.4 Estes Valley Capacity to Accommodate Housing**
- 2.5 Estes Valley Housing Production Capacity**
- 2.6 Financials**
- 2.7 Implementation Plans**

### **2.1. Statement of purpose, objectives, why project will be successful?**

### **2.2. Organization Plan**

- 2.2.1. Description of the business
- 2.2.2. Description of products and services
- 2.2.3. Legal structure
- 2.2.4. Management and personnel (who, qualifications, compensation) including consultants
  - 2.2.4.1. Need “Owner’s Representative” for different functions like construction, financing?
- 2.2.5. Accounting (who, what system for financial records, analysis, costs)
- 2.2.6. Insurance (types, costs)
- 2.2.7. Security

### **2.3. Market Assessment and Marketing Plan**

- 2.3.1. **Target market:** Identify workforce housing customers (current and future projections to 15 years)
  - 2.3.1.1. Identify all workforce members who need or will need housing, what types of housing they need and can afford, then determine what part (maybe all, maybe part) of the market can be addressed by HB22-1117 funding
  - 2.3.1.2. What jobs and how many of what jobs are needed now and in the future in the Estes Valley?
  - 2.3.1.3. What compensation distributions will the jobs have?
  - 2.3.1.4. What are the demographic characteristics of the people who will fill the jobs?
  - 2.3.1.5. How many workers will be single or in relationships and/or with families of how many people and age distribution?
- 2.3.2. **Housing Options Pricing**
  - 2.3.2.1. Will the people in the jobs identified want to or be able to rent housing or buy housing?
  - 2.3.2.2. If rent or buy, what level of rent and/or purchase price will they be able to afford?
- 2.3.3. **Types of housing**
  - 2.3.3.1. For the people in the jobs identified, what housing attributes will they seek
  - 2.3.3.2. Develop overall plan for housing needs by worker job, space/rooms, price, distributed over the estimated time to achieve the housing options goals.
  - 2.3.3.3. What part of the identified housing need can be addressed by HB22-1117 funding?

### **2.3.4. Methods of producing housing**

### **2.3.5. Housing Industry Trends**

### **2.3.6. Housing promotion and communication plan**

## **2.4. Estes Valley Capacity to Accommodate Housing**

2.4.1. What is the Estes Valley's land capacity to accommodate housing?

2.4.1.1. Consider Estes Park Town and Estes Valley County areas.

2.4.1.2. Consider current and future feasible availability of infrastructure (power, water, sewer, etc.)

### **2.4.1.3. With currently available land**

2.4.1.3.1. With current zoning (16 units per acre?) and with various changes in zoning density (consider competitor zoning density approaches)

### **2.4.1.4. With currently available land, and redevelopment land**

2.4.1.4.1. With current zoning (16 units per acre?) and with various changes in zoning density (consider competitor zoning density approaches)

### **2.4.1.5. With currently available land, redevelopment land, & projected land-banking over time**

2.4.1.5.1. With current zoning (16 units per acre?) and with various changes in zoning density (consider competitor zoning density approaches)

### **2.4.1.6. Other methods of making land for housing available and impact on housing capacity.**

### **2.4.1.7. Pursue funding only for actual Estes Valley capacity to accommodate housing?**

## **2.5. Estes Valley Housing Production Capacity**

2.5.1. What is the Estes Valley's capacity for building housing (speculative, affects schedule duration)

2.5.1.1. Duration to build 1,700 units, estimate rate housing will be available for workforce

## **2.6. Financials**

2.6.1. Summary of financial needs: how much capital needed, for what

2.6.2. Summary of how financial needs will be met

2.6.3. Pro Forma Cash Flow Statement (Budget): inflow, outflow, over time

2.6.4. Pro Forma 3-Yr (10- to 15-Yr?) Income Projection: re expected economic, industry trends

2.6.5. Break-Even Analysis

2.6.6. Balance Sheet: assets, liabilities, net worth

2.6.7. Profit & Loss Statement (Income Statement)

2.6.8. Financial Statement Analysis: comparison with industry standards

## **2.7. Implementation Plans**

2.7.1. Immediate (0-4 or 5 years) – from now until first new housing options become available

2.7.1.1. How can the immediate need for workforce housing be addressed until the first new housing options become available?

### **2.7.1.2. This is a currently significantly overlooked issue**

2.7.1.3. What are the people/jobs that need immediate housing, what type of housing, and what can they afford?

2.7.1.4. How could funding from HB22-1117 or other sources be used to address immediate housing needs?

2.7.2. Intermediate (5 to 15 years) – from first new housing options available to final housing available

2.7.2.1. What is the plan to transition from immediate housing (temporary?) to other housing options as the other options are developed?

2.7.3. Long Term (15+ years) – from when final housing option are available

2.7.3.1. Manage owned housing stock including standard maintenance and periodic refurbishing, etc

### **3. Business Plan to Address Estes Valley Workforce Childcare Plan Elements**

#### **Table of Contents**

- 2.1 Statement of purpose, objectives, why project will be successful**
- 3.2 Organization Plan**
- 3.3 Marketing Plan**
- 3.4 Financials**
- 3.5 Implementation Plans**

#### **3.1. Statement of purpose, objectives, why project will be successful**

#### **3.2. Organization Plan**

- 3.2.1. Description of the business
- 3.2.2. Description of products and services
- 3.2.3. Legal structure
- 3.2.4. Management and personnel (who, qualifications, compensation) including consultants
- 3.2.5. Accounting (who, what system for financial records, analysis, costs)
- 3.2.6. Insurance (types, costs)
- 3.2.7. Security

#### **3.3. Market Assessment and Marketing Plan**

- 3.3.1. **Target market:** Identify workforce customers (current and future projections to 15 years)
  - 3.3.1.1. Identify all workforce members who need or will need childcare, how many children they have at what ages, what childcare they would use and can afford, then determine what part (maybe all, maybe part) of the market can be addressed by HB22-1117 funding.
  - 3.3.1.2. What jobs and how many of what jobs are needed now and in the future in the Estes Valley?
  - 3.3.1.3. What compensation distributions will the jobs have?
  - 3.3.1.4. What are the demographic characteristics of the people who will fill the jobs?
  - 3.3.1.5. How many will be single or in relationships and/or with families of how many people and age
  - 3.3.1.6. What is the total number and age distribution of children who could use childcare?
    - 3.3.1.6.1. Could Colorado Demography Office help project demographics over next 15 years?
    - 3.3.1.6.2. Nationally, childbirth rates are declining, but not in all demographic groups
  - 3.3.1.7. What is the total number and age distribution of children who will actually use childcare?
  - 3.3.1.8. What are the demographic characteristics of all of the children who could use childcare?
  - 3.3.1.9. What are the demographic characteristics of the children who will actually use childcare?
    - 3.3.1.9.1. Special consideration of cultural backgrounds' impact on childcare services
    - 3.3.1.9.2. May require different language and cultural content for different cultures
  - 3.3.1.10. Would a survey or focus group with actual and potential Estes Valley childcare users be valuable?
- 3.3.2. **Childcare Pricing**
  - 3.3.2.1. Will the people in the jobs identified want to or be able to use childcare?
  - 3.3.2.2. If able to use childcare, what price will they be able to afford?
  - 3.3.2.3. What will they be able to pay for childcare?
  - 3.3.2.4. What will the actual cost of childcare be?
  - 3.3.2.5. How will the difference between the cost of childcare and ability to pay be covered?
  - 3.3.2.6. HB22-1117 funding possible? Rental collections? Endowment funding?

### **3.3.3. Some key determinants of an adult placing their child in childcare**

- 3.3.3.1. Service providers, Service content, Service hours, Facility, Convenience, Cost

### **3.3.4. Types of Childcare**

- 3.3.4.1. Initiate Request for Proposals from major state-wide or national providers
  - 3.3.4.1.1. They could provide successful scalable models. Scaling is not simple and the Estes Valley is small scale now
  - 3.3.4.1.2. Realistic estimates of requirements, costs, staffing, compensation & benefits, etc.
  - 3.3.4.1.3. Evidence-based programs (not custodial care or ad-hoc programming)
  - 3.3.4.1.4. Ensure credentialed and recertified providers with ongoing quality assurance and training
  - 3.3.4.1.5. Recruiting and retaining service providers may be a challenge
- 3.3.4.2. For the people in the jobs identified, what childcare attributes will they want?
- 3.3.4.3. Develop overall plan for childcare by service attributes and price, distributed over the estimated time to achieve the childcare services goals.

### **3.3.5. Methods of providing childcare**

- 3.3.5.1. Identify all feasible models of providing childcare in the Estes Valley
- 3.3.5.2. Rank order model suitability and how each model can be supported and or scaled to meet the need for childcare services
- 3.3.5.3. Is business support for childcare feasible and if so, how would it work?

### **3.3.6. Childcare Industry Trends**

### **3.3.7. Childcare promotion and communication plan**

## **3.4. Financials**

- 3.4.1. Summary of financial needs:
  - 3.4.1.1. How much capital needed, for what (building or buildings, remodeling?)
  - 3.4.1.2. What are the operations funding needs, for what operations?
- 3.4.2. Summary of how financial needs will be met
- 3.4.3. Pro Forma Cash Flow Statement (Budget): inflow, outflow, over time
- 3.4.4. Pro Forma 3-Yr (10- to 15-Yr) Income Projection: re expected economic, industry trends
- 3.4.5. Break-Even Analysis
- 3.4.6. Balance Sheet: assets, liabilities, net worth
- 3.4.7. Profit & Loss Statement (Income Statement)
- 3.4.8. Financial Statement Analysis: comparison with industry standards

## **3.5. Implementation Plans**

- 3.5.1. What is the housing solution for the childcare providers given their relatively low compensation?
- 3.5.2. Immediate (0 to 4 years) from now until additional space becomes available
  - 3.5.2.1. How can the immediate need for workforce childcare be addressed until the first new childcare options become available?
    - 3.5.2.2. This is a currently significantly overlooked issue**
- 3.5.3. Intermediate (4 to 10 years) from when additional childcare services become available until all childcare services buildout is completed
- 3.5.4. Long Term (10+ years) from when space buildout is done