



Workforce Housing and Childcare

Ad-Hoc Task Force

Final Report

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Executive Summary

Background

The Town Board created the Workforce Housing and Childcare Ad-Hoc Task Force (Task Force) on November 13, 2018 to evaluate the Town's role in the issues of workforce housing and childcare, and to develop recommendations for consideration by the Town Board. To develop its recommendations, the Task Force reviewed past studies, plans, and recommendations; developed criteria for evaluating potential actions; conducted a comprehensive public engagement process; and created a list of options for Town involvement for both childcare and workforce housing.

Public Engagement

The Task Force completed a comprehensive public engagement campaign consisting of meetings with stakeholders, three focus groups with a total of roughly 20 people, a large community meeting, and an open dedicated email address. Combined, the Task Force had face-to-face contact with approximately 100 people. Everyone who participated in the public engagement process was both receptive and up-front with their opinions, creating numerous high-quality discussions.

Evaluation Criteria

The Task Force agreed on evaluation criteria after recognizing the need to review all of the potential opportunities for Town involvement in these issues using the same general frame. Three criteria were agreed upon:

1. Is the action administratively feasible?
2. Is the action politically acceptable?
3. Is the action measurable and consistent with the Strategic Plan Outcome Areas?

Workforce Housing Recommendations

1. Establish Role Clarity
 - A. Establish Workforce Housing Guidelines
 - B. Participate in Workforce Housing Strategic Planning Effort
2. Provide Financial Support
 - A. Establish One-Time Reserve
 - B. Increase Ongoing Support for Utility Tap Subsidies
 - C. Consider Future Dedicated Funding as Financial Needs Become Clear
3. Adapt the Estes Valley Development Code (EVDC)
 - A. Prioritize Proposed EVDC Amendments that Impact Housing
 - B. Incentivize Downtown Housing
 - C. Implement the Downtown Plan
 - D. Ensure that the Comprehensive Plan Considers Workforce Housing
4. Utilize Town-Owned Land
 - A. Work with 3rd Party to Develop Fish Hatchery Property
 - B. Re-evaluate Dry Gulch Property for Less-Dense Housing
 - C. Begin Land-Banking for Workforce Housing

5. Ensure Accountability
 - A. Designate the Assistant Town Administrator as Point Position
 - B. Incorporate Workforce Housing into the Strategic Plan

Childcare Recommendations

1. Coordinate Community Efforts
 - A. Convene Leaders of Local Childcare Capacity Efforts
 - B. Participate in County Strategic Plan Childcare Capacity Team
2. Provide Financial Support
 - A. Develop Childcare Funding Policy
 - B. Establish One-Time Reserve
 - C. Direct Ongoing Funding to Growing Infant/Toddler Capacity
 - D. Establish Capital Grant Pool to Incentivize New Infant/Toddler Capacity
3. Utilize Town-Owned Land
 - A. Create a List of Town-Owned Property Suitable for Childcare Facilities
 - B. Begin Land-Banking for Childcare Facilities
4. Ensure Accountability
 - A. Designate the Assistant Town Administrator as Point Position
 - B. Incorporate Childcare into the Strategic Plan

Conclusion

With the submittal of these recommendations, the Task Force's job is complete. The Town Board must now decide which of the recommendations contained in this report should be implemented. For a quick look at how each recommendation can be operationalized, see Appendix A.

Background

Purpose

The Ad-Hoc Workforce Housing and Childcare Task Force ("Task Force") was formed November 13, 2018 by the Town Board of Trustees (Resolution #24-18) to develop recommendations for the Board on the Town's role related to workforce housing and childcare. The Task Force was directed to focus on strategies and tactics that could be utilized by the Town to address availability and affordability concerns in both housing and childcare.

Process

The process used by the Task Force to develop recommendations can be divided into four steps:

1. Reviewed Foundational Documents (existing recommendations from community groups and studies);
2. Developed an initial "long list" of potential Town actions to evaluate for each issue;
3. Engaged with the community to get additional feedback on workforce housing and childcare; and

4. Utilized agreed-upon evaluation criteria and feedback from engagement efforts to edit the long list of recommendations down to final recommendations.

Foundational Documents

The following documents were used as a starting point for the Task Force's work:

- Town of Estes Park Strategic Plan (2019)
- Stanley Park Master Plan (2019)
- Childcare Needs Assessment (2018)
- Family Advisory Board Recommendations to Town Board (2018)
- National Citizen Survey Community Livability Report (2018)
- Housing Needs Assessment (2016)
- Avalanche Economic Development Strategy (2015)

Evaluation Criteria

Summary

The Task Force agreed on evaluation criteria after recognizing the need to review all of the potential opportunities for Town involvement in these issues using the same general frame. Three criteria were agreed upon:

1. Is the action administratively feasible?
2. Is the action politically acceptable?
3. Is the action measurable and consistent with the Strategic Plan Outcome Areas?

Administrative Feasibility

Is the action administratively feasible? This criterion focuses on whether the Town has the resource flow and skills necessary to carry out the action. For example, providing utility fee subsidies from the General Fund is administratively feasible; running a childcare tuition assistance program on a large scale is not.

Political Acceptability

Is the action politically acceptable? This criterion focuses on whether or not a particular action is acceptable to the community and a majority of the Town Board. For example, developing Workforce Housing Guidelines is probably politically acceptable; raising the height limit to four stories throughout Town is likely not.

Measurability and Consistency with Strategic Plan

Is the action measurable and consistent with the Strategic Plan Outcome Areas? This criterion is intended to ensure that the Town is able to track progress on recommendations and know when they are completed and how effective they were at achieving their purpose. It is also intended to ensure that any recommendations fit within the Town Board's Strategic Plan

Public Engagement

Process

Summary

The Task Force used multiple methods to engage with the public and collect feedback on the Town's role with regard to workforce housing and childcare. Outreach was conducted through articles from the Task Force, social media posts, updates at public meetings, a web page with electronic resources, and one-on-one networking with community stakeholders. Below is a list of the different methods the Task Force used to gather feedback:

- Stakeholder Meetings (16 entities)
- Focus Groups (~20 people over three focus groups)
- Targeted Outreach to Business Community
- Community Meeting with recording on webpage
- Dedicated Email

Stakeholder Meetings

The Task Force met with the following groups in the initial phase of outreach:

Organization	Reason for Meeting
Communities that Care (Larimer County)	Working on childcare
Estes Area Lodging Association	Organization of employers
Estes Early Childhood Education, Inc.	Working on childcare
Estes Park Economic Development Corporation	Organization of employers
Estes Park Health	Critical-service employer
Estes Park Housing Authority	Working on workforce housing
Estes Park Sanitation District	Critical-service employer
Estes Park School District R-3	Critical-service employer
Estes Valley Fire Protection District	Critical-service employer/volunteers
Estes Valley Investment in Childhood Success	Working on childcare
Estes Valley Partners for Commerce	Organization of employers
Estes Valley Recreation and Park District	Major taxing district employer
Estes Valley Library	Major taxing district employer
Restorative Justice	Work experience with impact of issues
Upper Thompson Sanitation District	Critical-service employer
YMCA of the Rockies	Nonprofit childcare provider

These groups directly employ approximately 2,197 people (705 year-round employees and 1,492 seasonal/volunteers). They were selected based on their status as critical-service employers, an organization of employers in the community, or their work on workforce housing and or childcare.

Focus Groups

Focus groups were used by the Task Force in an effort to collect diverse and highly-detailed viewpoints from the public, scheduled based on the availability of the interested

individuals. Russ Nehrig, a volunteer with the Estes Valley Restorative Justice Partnership who has a professional background in running focus groups for corporate clients, coordinated three focus groups for the Task Force. Two of these groups were composed of volunteers responding to a public call for participation and one was made up of residents recruited by Mr. Nehrig. This format was effective in getting detailed and complex feedback and opinions from the community, and the Task Force would advocate its use in the future for similar issues.

Targeted Outreach to Business Community

The Task Force used direct email invitations sent through the Estes Valley Partners for Commerce and the Estes Area Lodging Association to specifically target the general business community for feedback. Despite this effort, the number of responses received from individual business owners was disappointingly small. The Task Force suggests more effort be expended on an ongoing basis to engage with these stakeholders to understand their challenges and the unique ways they adjust to the difficulty of hiring and retaining quality employees. The few individual conversations that took place with local business owners were incredibly valuable in seeing how employers are adapting.

Community Meeting

A large community meeting was held May 22, 2019. The Task Force gave a short presentation before asking attendees (roughly 50) to write their thoughts, questions, and reactions to the presentation of draft recommendations on Post-It® notes. These notes were then placed on sticky pads that referenced each category of recommendation. The 145 comments received through this exercise are representative of the wide range of suggestions the Task Force received from the other public engagement efforts, and can be reviewed in Appendix B.

Dedicated Email

A dedicated email address was made available for the duration of the Task Force's work. The email was publicized in press releases and on the Task Force's website landing page. Fifteen emails were received in total.

Key Themes

Crisis...

The lack of availability and affordability of workforce housing and childcare are at crisis levels. The Task Force heard from multiple large employers who indicated high turnover rates, difficulty attracting talent, and numerous anecdotal stories indicating the severity of these issues. A sampling of these stories is included in the key learnings of the workforce housing and childcare sections of this report.

...But Not Everywhere

While the Task Force heard from many major employers and individuals that workforce housing and childcare were crisis-level issues, that characterization was not uniform. Some smaller critical-service employers indicated that these issues are not a large problem for them presently as they have small, long-serving staff who are rooted in the

community. These long ties and lack of turnover appear to have sheltered these employers from the impact seen by larger employers with more frequent turnover.

Wide-Spectrum of Views

It would be a mistake to assume that the community is divided into solely two camps (pro and con) on either workforce housing or childcare. The Task Force's engagement experience indicates a wide spectrum of thoughts and opinions on these issues that do not break down into easily definable groups.

Opportunities for Partnership

Throughout the public engagement process numerous organizations offered support to help with future engagement efforts. Specifically, the Estes Valley Library, the League of Women Voters, and Restorative Justice have indicated a willingness and ability to help with future outreach and education efforts.

Additional/Ongoing Engagement Needed

Lastly, and perhaps most important, the public engagement effort identified a strong need for additional and ongoing engagement and education. More robust feedback from the business community should be a priority, as should engagement efforts around balancing the needs of workforce housing with concerns about density negatively impacting quality of life in the Valley.

Workforce Housing

The Problem

Concerns about the affordability and availability of housing in Estes Park are widespread. Only 7% of the respondents to the National Citizen Survey rated "Affordable quality housing" positively and only 11% rated "Housing options" positively (e.g., excellent/good).¹ The summary of housing needs in the Housing Needs Assessment indicated a range of 1,480 to 1,690 new units needed through 2020.² A partial corroboration of the need indicated by the Housing Needs Assessment is the wait list maintained by the Estes Park Housing Authority, currently holding at roughly 425 people.

Key Themes

Crisis

A sense of crisis emerged from the Task Force's review of the data and public engagement process. Multiple large employers indicated that workforce housing was directly related to increased turnover and difficulty in hiring and retaining employees. In addition to the quantitative data above, numerous impactful anecdotal stories were relayed to the Task Force. A few startling examples from the engagement effort will suffice:

¹ National Research Center Inc., *Estes Park Community Livability Report* (2018), 4.

² Rees Consulting Inc. and WSW Consulting, *Estes Park Area Housing Needs Assessment* (2016), 90.

- People camping in the National Forest all summer because they cannot find housing.
- An employee sharing a bathroom with eight (8) other roommates.
- A crowded hotel room with up to 12 people living together.
- Multiple employers indicating that they have lost staff, and have had good candidates withdraw from consideration, due to housing availability.

Multifaceted Housing Needs

Workforce housing is not a homogenous designation. Within that overarching term are a number of clearly-definable segments with differing needs. The primary two segments identified by the Task Force are: (1) year-round workforce housing needs (e.g. nurses, police officers, utility workers) and (2) seasonal workforce housing needs (e.g. time-limited expanded staffing required for guest services). These segments can be further broken down along income (anywhere from 40% to 150%+ of the Area Median Income) and housing preferences (e.g. Rent vs. Own, Short-Term vs. Long-Term, and Single Family vs. Apartments vs. Duplexes, etc.).

Business Owner Efforts

Many local business owners are taking steps to address their workforce housing challenges. The Task Force spoke to, or heard of, at least four businesses/organizations that have purchased homes or property to house their employees. A recurring sentiment during the public engagement period was a belief that businesses should solve their own problems and not expect assistance from the government. In at least a few cases, they are.

Diverse Community Opinions

Residents of the Estes Valley have a wide range of opinions about the Town's role in addressing workforce housing issues. Feedback ranged from opinions that any Town involvement in workforce housing would be an unacceptable transfer of public money into private hands, to a belief that the Town should build and operate workforce housing.

Balance

The need to balance workforce housing developments with other community values is a widely-held opinion. Many who supported workforce housing also indicated their belief that these developments should be carefully developed to maintain the character of the community. They indicated a desire to see workforce housing that has the appropriate look and feel in relation to surrounding neighborhoods and the community as a whole.

Summary of Recommended Town Role

A full 90% of respondents supported "Town sponsored solutions for workforce housing issues (codes, funding, land)" (54% in favor of increasing service, 36% in favor of keeping current service level).³ Clarity of roles has been a major barrier to an organized and aligned approach to addressing workforce housing. Numerous entities (including the Town) have taken steps to

³ National Research Center Inc., *Estes Park Community Livability Report* (2018), 10.

increase the number of available workforce housing units, but these actions have not been happening in a coordinated or systemic way.

Collectively, the Task Force recommendations on workforce housing serve to drive clarity on roles and objectives among the community stakeholders working to address the availability and affordability of housing. They do this by communicating the role that the Town intends to fill with regard to workforce housing (Establish Workforce Housing Guidelines and Participate in a Workforce Housing Strategic Plan). With this role communicated, the Town can work with other entities to determine where the gaps in our community efforts to address workforce housing are located as well as who should fill those gaps.

Recommendation #1 – Establish Role Clarity

Summary

The Town has the opportunity to drive community-wide role clarification with regard to workforce housing by establishing its own role. The Town should formalize this role and promote it during workforce housing strategic plan conversations.

(A) Establish Workforce Housing Guidelines

The Task Force recommends developing, adopting, and publishing Workforce Housing Guidelines (WHG). These guidelines would include:

- Town definition of “workforce housing” that considers both income (percentage of Area Median Income) and work requirements;
- Clearly articulated Town role (comprised of recommendations contained in this report that are adopted by the Town Board);
- Identification of Town priority segments (income, housing type, etc.); and
- Plain-language explanation of regulations and incentives.

The other Task Force recommendations contained in this report, if adopted, will be integrated into the WHG as the cornerstone of the Town’s role in this issue.

(B) Participate in Workforce Housing Strategic Planning Effort

The Task Force recommends using the WHG to participate in a Strategic Planning effort led by a separate entity (ideally, the Estes Park Housing Authority). During this process, the Town should push for role clarification among all parties, gap identification (what income levels and needs are not being served), and hard-number goals and objectives.

Recommendation #2 – Provide Financial Support

Summary

The amount of financial support required from the Town will depend on the role the Board chooses to play. For the purposes of these recommendations, the Task Force is recommending a two-pronged approach to providing financial support that is composed of a reserve for large, unanticipated, one-time expenditures as well as ongoing financial

support dedicated to utility fee subsidies that can be budgeted annually. The Workforce Housing Guidelines should guide any Town financial allocations to workforce housing.

(A) Establish One-Time Reserve

The Task Force recommends that the Town Board begin accumulating funds to make one-time investments in workforce housing by building a Board-restricted General Fund balance with an initial target of an additional **5% fund balance** to use for both workforce housing and childcare (would bring total General Fund balance to 25%). This would equate to roughly \$950,000 using 2019 expenditures as a base. Many of the one-time investments envisioned by the Task Force are difficult, if not impossible, to anticipate. These opportunities include supporting project-specific funding requests from the Estes Park Housing Authority, land-purchase opportunities, and large utility tap fee subsidy requests beyond the scope of the annual tap fee subsidy allocation.

Taking advantage of these opportunities when they arise will require an earmarked reserve. The amount of funding will vary depending on the specific role the Town Board chooses to play (for example, if the Board decides to begin land-banking, the reserve will likely need to be higher than if it decides to just assist with project-specific funding requests).

The Fund-Balance Reserve mechanism works by budgeting for fund-balance growth during the annual budget process and designating that extra fund balance specifically for unanticipated one-time investments in workforce housing. An example would look like this:

- 2019
 - Town Board amends Policy 660 – Fund Balance to establish an additional 5% General Fund balance in 2019.
 - Town staff creates 2020 budget with a structural surplus (more revenues than expenditures) to be dedicated to one-time workforce housing investments.
- 2020
 - As the 2020 budget is executed, excess revenues flow into fund balance and increase the fund balance level
 - This extra fund balance is specifically designated as the Board's workforce housing reserve.
 - The fund balance reserve may be used by appropriation from the Board, following the Workforce Housing Guidelines. It is replenished and can be grown (or reduced) through the budget process.

(B) Increase Ongoing Support for Utility Tap Subsidies

The Task Force recommends increasing the ongoing budget funding for utility tap subsidies for workforce housing projects to \$50,000. In 2018, the Town budgeted \$20,000 for utility tap subsidies, only enough for a 50% subsidy for roughly four units. Expanding these funds will allow the Town Board to support workforce housing developments constructed by other entities. The utility tap subsidies should be included

in the incentives section of the Workforce Housing Guidelines and should be marketed to developers.

(C) Consider Future Dedicated Funding as Financial Needs Become Clear

The Town does not have a long or consistent history of providing financial support to workforce housing projects. As such, it is unclear what the true ongoing financial needs of this effort will be. A more realistic estimate of the funding needs of this effort will be possible once the Town has solidified its role and accumulates a few years of financial requests for reference. These estimates can inform future conversations about the need for dedicated funding streams.

Recommendation #3 – Adapt the Estes Valley Development Code (EVDC)

Summary

Planning and Zoning regulations are among the most powerful tools the Town has to address the lack of affordable and available workforce housing. They are also among the most controversial. Public engagement and recent history indicate that there is a great deal of concern about density, especially in relation to workforce housing developments. The implementation of any recommendation in this section must consider the balance between the need for more workforce housing and the need to protect the characteristics that make the Estes Valley a great place to live.

(A) Prioritize Proposed EVDC Amendments that Impact Housing

The Task Force recommends continuing progress on the Master List of Proposed Amendments to the EVDC presented to the Town Board on May 9, 2017. As there are a sizable number of amendments on that list, the Task Force recommends prioritizing any amendments that impact the ability to construct workforce housing. The first step in this process would be a discussion between Community Development Department staff and the Estes Valley Planning Commission on this prioritization.

(B) Incentivize Downtown Housing

Downtown is an appropriate location for increased housing density. The Task Force recommends encouraging the development of workforce housing Downtown by adopting the height increase recommendations contained in the Downtown Plan⁴ and by amending the EVDC to facilitate private redevelopment.

(C) Implement the Downtown Plan

As Downtown is a high-opportunity area for workforce housing, the Task Force also recommends that the Town Board formalize an implementation plan for the Downtown Plan. While increasing the height limit and updating redevelopment-related EVDC items would facilitate more workforce housing Downtown, the implementation of the Downtown Plan will help to make it a vibrant and desirable place to live. Therefore, the Task Force supports the inclusion of the following draft 2020 Board Objective in the Robust Economy Outcome Area: “4.1 Determine the strategic direction, financial options and leadership responsibility for implementation of the Downtown Plan”.

⁴ Town of Estes Park, *Estes Park Downtown Plan* (2018), 38-39.

(D) Ensure that the Comprehensive Plan Considers Workforce Housing

Workforce housing issues must be a major consideration in the upcoming Comprehensive Plan process. The Task Force recommends that, in addition to a general consideration of maintaining a vibrant community with a diverse mix of housing opportunities, the following items be specifically addressed:

- Vacation Rentals
- Accessory Dwelling Units (attached and detached) for long-term rentals
- Consideration of areas where increased density is, and is not, appropriate

Recommendation #4 – Utilize Town-Owned Land

Summary

The Town owns two parcels of land that are suitable for constructing workforce housing. Many of the large parcels owned by the Town are subject to restrictions or site conditions that make the development of workforce housing impractical or impossible.

(A) Work with 3rd Party to Develop Fish Hatchery Property

Initial plans to develop the Fish Hatchery property with high-density workforce housing failed to materialize, in part due to infrastructure challenges identified by AmericaWest Housing Solutions based on its proposed density for the site. The Task Force has determined that less-dense development may still be feasible, and is therefore recommending that the Town Board reconsider previously submitted proposals for the Fish Hatchery property that contain more realistic density levels. This is also consistent with the community's need for a variety of housing options, including small single-family homes, duplexes, etc. (not just RM apartment-style units).

(B) Re-Evaluate Dry Gulch Property for Less-Dense Housing

Initial plans to develop the Dry Gulch property fell through due to parcel-access issues and concerns from the neighborhood about an Open Space designation (erroneously applied by previous Community Development staff). The Task Force recommends that the Town re-evaluate this property for less-dense housing (such as townhomes or duplexes). The parcel may also be appropriate for space for a childcare center or a public park.

(C) Begin Land-Banking for Workforce Housing

More developable Town-owned land will be required if the Town takes on the role of catalyzing housing developments by providing land. Accordingly, the Task Force recommends that the Town begin a land-banking program to acquire suitable properties for future development or redevelopment. Any land acquisition should be informed and guided by the Workforce Housing Guidelines to ensure it is appropriate for the type of workforce housing the Town has prioritized. The Town should also coordinate and cooperate with the Estes Valley Land Trust to ensure that the need for developable land for workforce housing is balanced with the need to preserve open space in the Estes Valley. First steps in this process would be Town-participation in the Open Space and

Outdoor Recreation Plan and a Study Session with the Land Trust to discuss the topic more generally.

Recommendation #5 – Ensure Accountability

Summary

Maintaining a Town focus on workforce housing will require that the topic be structurally incorporated into the Town’s operations. The two primary methods of accomplishing this are designating a staff position to execute the Town’s role in workforce housing and incorporating workforce housing into the Town Board’s Strategic Plan.

(A) Designate the Assistant Town Administrator as Point Position

The Task Force recommends that execution of the Town’s role in workforce housing be added to the job description of the Assistant Town Administrator. Placing these responsibilities in the Town Administrator’s Office will enable full coordination between various Town departments and outside entities.

(B) Incorporate Workforce Housing into the Strategic Plan

The Task Force recommends including the following Strategic Policy Statement in the 2020 Strategic Plan: “*We will assist in increasing the amount and diversity of housing solutions for underserved segments of our community*”. All other Strategic Plan items related to workforce housing will fall under this Strategic Policy Statement.

Childcare

The Problem

The lack of availability of infant and toddler care in the Estes Valley is at a crisis level, and has been getting *worse* for several years. The Childcare Needs Assessment completed in 2018 revealed that there are only 12 licensed spots for infants and toddlers (age 0 to 2 ½) in the Estes Valley.⁵ Responses to the Parent survey conducted as part of the needs assessment indicated that, for households with infants/toddlers, finding care for an infant was the biggest childcare utilization challenge for 54% of respondents.⁶ Perhaps the most shocking result from the Parent survey was the fact that 80% of responding households with infants/toddlers would change some aspect of their childcare arrangement.⁷

Key Themes

Crisis

A sense of crisis emerged from the Task Force’s review of the data and public engagement process. In addition to the data used above to describe the problem with childcare in the Estes Valley, numerous impactful anecdotal stories were relayed to the Task Force. A few startling examples will suffice:

⁵ BBC Research and Consulting, *Estes Valley Childcare Needs Assessment* (2018), I-6.

⁶ Ibid, II-13.

⁷ Ibid, II-10.

- A woman unexpectedly became guardian to her two grandchildren (two and three) and was unable to find childcare so her own teenage daughter was missing high school in order to provide care for the younger children.
- A local licensed provider was shut down by the State for exceeding the legal number of children under two years of age they could care for (impacted care for seven children two-years-old or younger).
- EVICS has been inundated with phone calls from people looking for daycare. In one week alone, they received calls from four families looking for care for their infants and toddlers. They have no place to send these families as all of the infant and toddler spots they are aware of are full.

Market Struggles

The Estes Valley is a difficult market for childcare providers. According to the needs assessment, average Estes Valley childcare prices are between 70% and 85% of statewide market rates.⁸ Despite this, 43% of Estes Valley parents with children ages six or younger do not regularly use non-parent childcare providers and cite affordability (29%) and not being able to find/get into quality care (20%) as the top two barriers.⁹ The tightly limited ratios for caring for infants/toddlers and the low revenue for childcare providers in the Estes Valley are likely part of the reason for the shortage in infant and toddler care.

Efforts Underway

There are local efforts underway to build new childcare capacity in the Estes Valley. These efforts include Estes Early Childhood Education, Inc. discussions about a new Childcare District (enabled by State legislation passed in 2019), conversations about supporting existing providers, and discussions on how to encourage more licensed family home childcare capacity. The Town's own Family Advisory Board played a key role in these efforts by identifying obstacles and making recommendations to the Town Board on how to address them.

Low Community Awareness

Unlike workforce housing, there did not appear to be a widespread awareness of the issues associated with childcare in the Estes Valley. Efforts to address this issue will likely run into community awareness as a barrier; the Town involvement should plan for a high-degree of education and public engagement around any implementation of the recommendations contained in this report.

Early Childhood Education

Childcare quality was a consistent theme throughout the Task Force engagement efforts. The term "early childhood education" was frequently used to describe the desired type of childcare in the community. This is a critical distinction for some people as they associate the term "childcare" with low-quality "warehousing" of children. For the purposes of this report, childcare is used to refer to high-quality early childhood education. The Task

⁸ Ibid, IV-9.

⁹ Ibid, II-13.

Force firmly believes that this care can happen in a variety of contexts, and that it is critical to addressing the needs of our community.

Summary of Recommended Town Role

Town involvement (specifically financing) in childcare initiatives was supported by 44% of respondents to the 2018 Citizen's Survey (39% recommended keeping current service level – i.e. funding for EVICS).¹⁰ While not as robust as the percentage of respondents favoring Town intervention in workforce housing issues, support for some level of Town involvement in childcare is significant. Additionally, 56% of the 46 employer responses to the Needs Assessment Employer Survey indicated that reliable and affordable childcare is one of the more serious problems in the Estes Valley.¹¹

The Task Force recommendations, when taken together, will put the Town's focus on addressing the most critical gap in childcare in the Estes Valley; infant and toddler care. This will be accomplished by coordinating community efforts on childcare, providing ongoing and one-time financial support, and exploring ways to leverage Town-owned property to address this issue.

Recommendation #1 – Coordinate Community Efforts

Summary

The Task Force is aware of two primary local groups working on childcare capacity in the Estes Valley: Estes Early Childhood Education, Inc. and Estes Valley Investment in Childhood Success. It is vital that these efforts be coordinated and aligned in order to leverage the most value from each individual organization's effort, and to simplify working with Larimer County on its Strategic Plan objective related to childcare.

(A) Convene Leaders of Local Childcare Capacity Efforts

The Town should convene leaders of local efforts and facilitate conversations to agree on an aligned and coordinated approach to building childcare capacity in the Estes Valley. These conversations will clarify roles and develop a shared vision and plan for addressing the most pressing childcare needs in the community.

(B) Participate in County Strategic Plan Childcare Capacity Team

The Larimer County 2019-2023 Strategic Plan established an objective to "...work collaboratively with public and private entities to **increase capacity for child care** so that at least one licensed child care spot in family child care homes, child care centers or preschool settings exists for every 1.5 children in the community."¹² The Task Force recommends that the Town continue to serve on the Objective Team for this goal to ensure that the interests of the Estes Valley are represented in the solutions developed.

¹⁰ National Research Center Inc., *Estes Park Community Livability Report* (2018), 10.

¹¹ BBC Research and Consulting, *Estes Valley Childcare Needs Assessment* (2018), III-5.

¹² Larimer County Strategic Plan: 2019 – 2023. Goal 2, Objective 3.

Recommendation #2 – Provide Financial Support

Summary

Aside from providing annual Base Funding to Estes Valley Investment in Childhood Success (EVICS) the Town has not provided funding for childcare efforts. Due to the growing problem, and attention on the problem, the Task Force anticipates the Town will receive requests for funding for childcare investments in the near future. Guidelines will be needed for evaluating these requests and resources will be needed for funding them. The Task Force recommends the same two-pronged approach to providing financial support to childcare as it did for workforce housing. This approach consists of a reserve for large, unanticipated, one-time expenditures as well as ongoing budgeted financial support dedicated to growing infant/toddler childcare capacity.

(A) Develop Childcare Funding Policy

The Town should develop and adopt a funding policy to guide future Town investments in childcare capacity. The policy should include qualification criteria, evaluation guidelines, a preference for matching funds, and specific consideration of milestone-based distributions. The Task Force recommends that the Funding Policy prioritize increasing infant and toddler childcare capacity.

(B) Establish One-Time Reserve

The Task Force recommends that the Town Board begin accumulating funds for one-time investments in childcare capacity by building Board-restricted General Fund balance with an initial target of an additional **5% fund balance** to utilize for both childcare and workforce housing (would bring total General Fund balance to 25%). This would equate to roughly \$950,000 using 2019 expenditures as a base. These one-time investments may include supporting project-specific funding requests, land- or facility-purchase opportunities, and large utility tap fee subsidy requests for new facilities beyond the scope of the annual tap fee subsidy allocation.

Taking advantage of these opportunities when they arise will require an earmarked reserve. The amount of funding will vary depending on the specific role the Town Board chooses to play (for example, if the Board decides to begin land-banking, the reserve will likely need to be higher than if it decides to just assist with project-specific funding requests).

The Fund-Balance Reserve mechanism works by budgeting for fund-balance growth during the annual budget process and designating that extra fund balance for unanticipated one-time investments in childcare capacity. An example would look like this:

- 2019
 - Town Board amends Policy 660 – Fund Balance to establish an additional 5% fund balance in 2019.
 - Town staff creates 2020 budget with a structural surplus (more revenues than expenditures) to be dedicated to one-time childcare capacity investments.
- 2020

- As the 2020 budget is executed, excess revenues flow into fund balance and increase the fund balance level
- This extra fund balance is specifically designated as the Board's childcare capacity reserve.
- The fund balance reserve may be used by appropriation from the Board. It is replenished and can be grown (or shrunk) through the budget process.

(C) Direct Ongoing Funding to Growing Infant/Toddler Capacity

The Task Force recommends working with EVICS to direct the Town's ongoing funding to support growing infant/toddler capacity. The Town should assist EVICS with developing and funding programs and policies that increase the availability of high-quality infant/toddler care capacity in the Estes Valley.

(D) Establish Capital Grant Pool to Incentivize New Infant/Toddler Capacity

The Task Force recommends creating a \$15,000 capital grant pool in the 2020 budget that will assist with upgrades needed to start up new facilities that serve infants and toddlers. This program should be developed in partnership with EVICS and the Early Childhood Council of Larimer County.

Recommendation #3 – Utilize Town-Owned Land

Summary

Development costs are a major impediment to creating high-quality, affordable childcare. A significant contributor to those costs in the Estes Valley is the cost of land on which to build. The Town can help catalyze projects by providing the land on which they can be built, removing a large, up-front development cost.

(A) Create a List of Town-Owned Property Suitable for Childcare Facilities

The Task Force recommends that the Town develop a list of Town-owned parcels upon which a childcare facility could be built. The base of this list exists now -- all that is needed is a thorough review of relevant easements and deed restrictions. Once completed, the Town should work with EVICS to market this list to potential childcare providers.

(B) Begin Land-Banking for Childcare Facilities

The Task Force recommends any land-banking program created by the Town should consider acquisition of land and properties suitable for childcare. The Town should coordinate and cooperate with the Estes Valley Land Trust to ensure that the need for developable land for childcare is balanced with the need to preserve open space in the Estes Valley.

Recommendation #4 – Ensure Accountability

Summary

Maintaining a Town focus on childcare will require that the topic be structurally incorporated into the Town's operations. The two primary methods of accomplishing this

are designating a staff position to execute the Town's role in childcare and incorporating childcare into the Town Board's Strategic Plan.

(A) Designate the Assistant Town Administrator as Point Position

The Task Force recommends that execution of the Town's role in childcare be added to the job description of the Assistant Town Administrator. Placing these responsibilities in the Town Administrator's Office will enable full coordination between various Town departments and outside entities.

(B) Incorporate Childcare into the Strategic Plan

The Task Force recommends including the following Strategic Policy Statement in the 2020 Strategic Plan: "*We will work with community partners to grow infant and toddler childcare capacity in the Estes Valley*". All other Strategic Plan items related to childcare will fall under this Strategic Policy Statement.

Not Recommended at this Time

Workforce Housing

- Build and/or operate workforce housing for the community
- Lead workforce housing efforts
- Lead the development of a Workforce Housing Strategic Plan
- Guarantee that new development provides workforce housing
 - Commercial Linkage Program
 - Inclusionary Zoning
- Develop and implement no-net-loss provisions
- Hire a Housing Coordinator

Childcare

- Operate childcare
- Provide five acres in Stanley Park for a future childcare facility
- Operate a childcare scholarship fund for individuals in the community

Conclusion

Next Steps

The Task Force recommends the following next steps for consideration of the recommendations in this report:

- June 11th Study Session Discussion
- Action Item at July 9th Town Board Meeting (Consideration of Acceptance of Report)
 - Public Comment
- Integration with Town Board action on adopting 2020 Strategic plan

Town Board should discuss and agree on which of the recommendations contained in this report should be implemented. Once these decisions are made, the implementation guide (Appendix A) may be used to integrate the recommendations into the Town organization.

Use of Ad-Hoc Task Force Mechanism

The Ad-Hoc Task Force mechanism has been an efficient and effective way to quickly engage the public and develop quality recommendations for the Town Board. The size (three members) and composition (mix of Trustees and staff) has proven to be a potent combination for delivering results. The Task Force would highly recommend the use of the Ad-Hoc Task Force model in the future for similar issues as they arise.

Dissolution of the Ad-Hoc Task Force

With the submittal of this report, the task assigned to the Task Force by the Town Board by Resolution #24-18 is complete. Pursuant to Policy 102, Section 4.a.i(4) the Task Force is hereby dissolved, effective upon delivery of this report to the Town Board.

Appendix A – Implementation Guide

Recommendation	Target Year	Integration Mechanism	Outcome Area/Responsible Party	Classification
Workforce Housing				
1 - Establish Role Clarity				
A Establish Workforce Housing Guidelines	2019	Strategic Plan	Outstanding Community Services	Objective
B Participate in Workforce Housing Strategic Planning Effort	2020	Strategic Plan	Outstanding Community Services	Objective
2 - Provide Financial Support				
A Establish One-Time Reserve	2020	Strategic Plan	Outstanding Community Services	Goal
B Increase Ongoing Support for Utility Tap Subsidies	2019	Strategic Plan	Outstanding Community Services	Objective
C Consider Future Dedicated Funding as Financial Needs Become Clear	-	Operational	Town Administrator's Office	-
3 - Adapt the Estes Valley Development Code (EVDC)				
A Prioritize Proposed EVDC Amendments that Impact Housing	2020	Strategic Plan	Outstanding Community Services	Policy Statement
B Incentivize Downtown Housing	2020	Strategic Plan	Outstanding Community Services	Goal
C Implement the Downtown Plan	2020	Strategic Plan	Outstanding Community Services	Goal
D Ensure that the Comprehensive Plan Considers Workforce Housing	2019	Operational	Community Development Staff	-
4 - Utilize Town-Owned Land				
A Work with 3rd Party to Develop Fish Hatchery Property	2020	Strategic Plan	Outstanding Community Services	Objective
B Re-Evaluate Dry Gulch Property for Less-Dense Housing	2020	Strategic Plan	Outstanding Community Services	Objective
C Begin Land-Banking for Workforce Housing	2020	Strategic Plan	Outstanding Community Services	Policy Statement
5 - Ensure Accountability				
A Designate the Assistant Town Administrator as Point Position	2019	Operational	Town Administrator's Office	-
B Incorporate Workforce Housing into the Strategic Plan	2020	Strategic Plan	Outstanding Community Services	Policy Statement
Childcare				
1 - Coordinate Community Efforts				
A Convene Leaders of Local Childcare Capacity Efforts	2019	Operational	Assistant Town Administrator	-
B Participate in County Strategic Plan Childcare Capacity Team	2019	Strategic Plan	Outstanding Community Services	Goal
2 - Provide Financial Support				
A Develop Childcare Funding Policy	2019	Strategic Plan	Outstanding Community Services	Objective
B Establish One-Time Reserve	2020	Strategic Plan	Outstanding Community Services	Goal
C Direct Ongoing Funding to Growing Infant/Toddler Capacity	2020	Strategic Plan	Outstanding Community Services	Policy Statement
D Establish Capital Grant Pool to Incentivize New Infant/Toddler Capacity	2020	Strategic Plan	Outstanding Community Services	Objective
3 - Utilize Town-Owned Land				
A Create a List of Town-Owned Property Suitable for Childcare Facilities	2020	Strategic Plan	Outstanding Community Services	Objective
B Begin Land-Banking for Childcare Facilities	2020	Strategic Plan	Outstanding Community Services	Policy Statement
4 - Ensure Accountability				
A Designate the Assistant Town Administrator as Point Position	2019	Operational	Town Administrator's Office	-
B Incorporate Childcare into the Strategic Plan	2020	Strategic Plan	Outstanding Community Services	Policy Statement

Appendix B – Community Meeting Post-It® Comments

Housing Post-It Note Comments
Workforce Housing and Childcare Task Force
5/22/2019 Community Meeting

Establish Workforce Housing Guidelines

- Allow for innovative solutions → tiny homes
- Develop data driven metrics and goals for assessing this issue
- Identify both mid income – teachers, nurses, etc & low income (tourist services – housekeeping, waitstaff, etc) & meet needs
- Think about transportation issue for folks who don't have cars - bus?
- Don't forget to include RMNP in list of year round and seasonal employers
- How Will Community Buy in Be Achieved?
- Priority segments income/housing pref – prioritize year round multifamily opportunities
- Include middle income needs as WORKFORCE
- I'd like to see Town develop a vision for the future re: housing for all incomes and retired (to age in place)
- Develop a task force in developing guidelines WF encompassing many scenarios
- Will/should the guidelines establish a minimum length of lease?

Provide Financial Support

- Utilize property taxes
- Develop consistent funding
- Use all money from Visit Estes Park for housing and child care
- Need to develop SUSTAINABLE FINANCIAL SUPPORT MODEL
- Invest 50% of the funds designated for “Visit Estes Park” into solutions for workforce housing
- Incentives for people who own rental houses to rent them to Estes Park teachers, firefighters, police, medical staff instead of vacation rentals
- Financial support for housing needs to include long term & options that are sustainable
- Tax vacation rentals
- Are you thinking down pay assistance for owners?
- Tap fees & Development cost adjustments for WF units
- Describe how this directly impacts the workforce sect looking for housing
- Work with employers to help meet their employees [sic] needs.
- Offer a reduction in property tax to lodging establishments that offer a portion or % of their units for summer workforce housing at a monthly reduced rate instead of regular nightly rental price.
- Utility, tax subsidies for property owners developers creating workforce housing
- Tax \$ provide ongoing stability to program
- Utility subsidies yes
- Urban Renewal/Opportunity Zone

Continue Adapting Development Code

- Initiate innovative approaches that maximize partnerships – Biz – Nonprofit - \$ - (multi-use)
- Deed restrictions in perpetuity
- Limit short-term rentals and tax them.
- Housing needs to be located w/in walking distance of critical services
- Allow ADUs / Allow tiny houses (≤ 400 SF) *see IRC 2018 Appendix Q
- Critical to ensure that developments using new codes for workforce housing continue to be used for workers that fit criteria – ongoing monitoring/enforcement.
- Very important for workforce housing to fit into the existing community
- Comp plan rewrite/vacation rentals/Amend development code to make vacation rentals harder to license and enforce existing code.
- Stop allowing short term rental permits to be sold w property
- Lower cap on number of permits for ST rentals by attrition
- Quite a few seniors don't view W.F. housing as critical and oppose developments and code changes – find ways to engage them and gain their support
- Downtown focus is appropriate – as a downtown resident I see advantages of walking/biking to work. Denser housing is appropriate to downtown.
- Progress...how can we evolve with growth, not how can we make growth adapt to us
- Incentivize “CD” zone development
- Allow/encourage Adaptability – The Process to develop is arduous
- Be creative in progressive process
- How do we preserve Community character when the code does not address enough about appearance of buildings.
- In new development code encourage housing w/ density bonus
- Allow accessory dwellings
- Raise height limit downtown to 50' at least for housing
- Allowing freakin' ADU development

Utilize Town-Owned Land

- “less dense” How does this represent the inevitable growth of our town?
- Establish tiny house community for tiny houses on wheels (THOWs) * IRC 2021 should include THOW stds.
- Build and sell deed restricted WF housing. Makes money for the town and pays itself off.
- What exactly is the realistic “character” of our town? Does this fit in the “progress” of our town being promoted & inevitable
- Yes.
- Absolutely not – Entities requiring workers should provide WH
- Maybe if done properly

Miscellaneous

- Limit vacation short term rentals (even more!) and enforce.
- Involve CBOfficer in workforce housing to keep up-to date on trend in WF housing = public info often given

- How do you keep work force housing for work force – not passed on to those no longer working? Who is the policeman?
- Consider “Sleeping Pod” communal facilities w modern design & amenities
- Promote/allow RV parks to accept long-term tiny houses
- Use newspapers to showcase real-life problems w those workers who commute, live in car, tent, etc.
- Restrict vacation rentals – lower cap – in residential zones to make more homes available for rent & purchase
- After a purchase How [sic] monitors if you stay in the workforce
- Purchase deed restrictions to maintain & preserve housing stock. Example: vailindeed.com
- Town Admin. Office responsible – Critical to have town staff designated to support future efforts! Keep it moving!
- If Town does not take lead in workforce housing, who then is expected to take lead
- Why not increase height of buildings to include 5 – and 6-story apts?
- Partner with the local lodges during the ‘off-season’ to provide housing to nurses, police officers to give them time to find housing locally. An incentivized program for permanent residents.
- What were the quantifiable data for needs.
- What are the real Actionable Efforts – who will lead these recommendations

Childcare Post-It Note Comments
Workforce Housing and Childcare Task Force
5/22/2019 Community Meeting

Coordinate Community Efforts

- Employee funded cooperative childcare – *paid by employers
- Networks for childcare providers to support one another
- Very important to inform the community and keep them actively engaged
- Role for community volunteers to assist
- Are local churches involved in childcare? Would the city financially support them if they were?
- Need to organize well to coordinate
- Include Early Childhood Educators in discussions at one point
- Cultivate community culture that values families & children – and workforce. Be a community where that is evident!!
- Work with large businesses that already own decent amount of land/property – such as YMCA & Stanley
- EVICS develop database of individuals that are available as a sitter
- EVICS develop a database for openings at day care centers
- EVICS develop database for drop-in day care options/ and availability
- Needs to be collaborative effort. All players on same page. (Collective vision!)
- Use the words “Early Childhood Education” instead of “child care” –
- Organized Public Awareness effort to focus the need for childcare
- The big organizations need to be at the table – Hospital/School/etc as well as people who are engaged in Early Childhood Education
- Development of multi-use – housing-retail-childcare...
- This is a community issue as families with children are critical to a vibrant community
- Work with local churches to provide child care

Provide Capital Funding

- Find Angel Investors for potential providers
- Childcare \$ - Transfer \$ to childcare away from VEP
- Grants? Special loans? How can we support architectural development
- Invest 50% of the funds designated for “Visit Estes Park” into solutions for childcare
 - [Additional Post-It to the left] Great idea →
- If marajana [sic] shop opens – use that sales tax for childcare center funding and scholarship funding [followed by three checkmarks]
- Start up costs are critical! (Market failure w/o public support)
- Some start-up costs as community grants
- Opportunity zone → seek social impact funds to match w/ Town money
- Subsidize education and capital for child care providers
- Use town funds to stimulate solutions

Budget Ongoing Financial Support

- No to continuation of 1A sales tax for other reasons
- Only for subsidizing building and start-up/increase capacity – not childcare scholarships
- If marajana [sic] shops passes use that sales tax to support childcare centers and childcare scholarships
- Childcare Tx [sic] District
- % of profits from commercial establishments that are of large size e.g. Safeway, etc.
- Breckenridge model is tax money dedicated to provide scholarships – 30% of operating costs
- Critical for sustainability & economic growth
- Financially support the Estes ECE and support the effort to create a childcare District.
- Need a sustainable financial model for childcare – role of major employers – Hospital, School District, RMNP, Town
- Who will coordinate the effort to get the taxing district going?
- Cooperative! – offset costs by increasing “family” involvement
- “Childcare District” would this include area outside the Town but part of the EValley?

Utilize Town-Owned Land

- Why not enough area at Stanley Park for facility and parking?
- #1. Stanley Park #2. Purchase Mtn. Top property & dedicate to childcare #3. Incentivize private business or employer to provide facility
- How about childcare along w/ new housing developments? Building it into an apt. bldg.. for example
- Town purchase Mtn Top from John and additional land for expansion
 - [attached note from someone else] then Mtn Top lease the property from the Town
- Utilize the elem. School (or any school) with extra space...after school care too. Use church space – but not w/ town \$
- No thanks Private enterprise only
- Why not Stanley Park? Close to schools.
- If not town owned land – can town help find other available land?
- Lease town own land for housing and childcare facilities
- Possibly easier to develop and lower serious costs for developer

Miscellaneous

- If affording hiring workers for infant/toddler programs is an issue – encourage various college-university early childcare education dept. to have summer or year round intern programs to have students come work as an unpaid or minimal pay internship to gain experience in working w/ infants/toddlers. As an education major myself in college, I did unpaid student teaching a whole school year – I was under the expertise of a teacher but had to prepare same lesson plans & carry out teaching some lessons. As long as interns are background checked it could be a good opportunity for experience & reduce costs for a facility to provide childcare.
- Do we want one larger facility or several smaller ones – but that ↓’s possibility of infant/toddler financial feasibility

- We need a solution NOW I recommend that the Town purchase the land that Mountain Top land [sic] and leasing it at fair market to Christy Delorme
- Concern about one group going rogue – not part of community effort.
- Work with State regulations to help with progress to compliance
- Stop listening to the Squeaky Wheels – take care of our families who are too busy working to be here
- Key is to provide either higher paying jobs or lower costs (housing, food, etc) for successful child care in EP and/or a defined financial/land contribution from town and/or county
- Incentivize more family childcare providers – helping with licensing cost, improvement grants, etc.
- Keep childcare and eldercare together – similar needs good for our community
- Can we incentivize industry growth?
- Please explain Childcare Districts – could the idea be to set up a District for the Estes Valley? Would it be a separate taxing organization?
- Buy property invest in current Childcare building in town. Capital funding to expand infant/toddler center
- Drop-in/Extended hours/Weekend Days/Daycare
- Create network of provider supports to ↑ slots w/ innovative/exempt statute [sic] while reinforcing quality
- Need to include with other town priorities – ex: Stormwater Utility
- Create team of builders (Habitat for Humanity-style) to volunteer w building fixes to support childcare facility standards
- Town buy (invest) in existing land & structure being used for childcare
- Maybe allow “unlicensed” facilities which still provide quality care?
- Could the town buy the property and building of Mountain Top Preschool? There is extra land there for expansion –

Any Other Thoughts Post-It Note Comments
Workforce Housing and Childcare Task Force
5/22/2019 Community Meeting

- Stop allowing commercial development in R&A zones
- Could the town trustees establish a minimum living wage for workers? This would drive the market toward community balance.
- Will people living outside of the town but in the E. Valley be able to vote on the proposals?
- Will/can taxes (revenue) be used to support these efforts e.g. county taxes as well as town taxes (revenue from taxes)?