

## **Lodging Tax Extension Task Force Plan & Timeline**

### **The Goal: Evaluate a new option for increasing funding for workforce housing and childcare options in the Estes Valley.**

Larimer County, the Town of Estes Park, and the Estes Park Local Marketing District (a.k.a. Visit Estes Park) are working together to help ensure that community members have access to affordable workforce housing and childcare options. One of the most significant barriers to ensuring this access is a consistent and meaningfully-sized funding mechanism.

During the 2022 Colorado Legislative Session, a mechanism has emerged for the Estes Park Local Marketing District, in collaboration with Larimer County and the Town of Estes Park, to expand the use of local lodging tax revenue to address gaps in the need for workforce housing and childcare.

Known as HB22-1117, the Colorado House passed the bill in February and the Colorado Senate passed it in March. The governor signed the bill into law on March 31, 2022. The bill is scheduled to become law 90 days after the end of the legislative session. For the legislation to be applicable to the local community, there must be a ballot initiative where voters in the local marketing district decide whether or not to authorize the use of new or existing lodging tax revenue for investments in workforce housing and childcare.

### **Background: Significant gaps exist in the need for workforce housing and childcare in the Estes Valley.**

The workforce housing problems in the Estes Valley have been documented in several studies conducted over the past five years. According to the January 2016 *Estes Park Area Housing Needs Assessment*, there was a need for nearly 1,700 ownership and rental housing units to meet the “workforce housing shortage and to keep up with future demand” projected through 2020.

When the needs assessment was conducted five years ago, the study projected that the workforce housing needs would grow annually by as much as 300 to 340 units per year. The Town of Estes Park has an RFP out for a study on workforce housing, responses to which are due to the Town on in April 2022.

The 2016 report noted that the need housing was almost twice as large in 2016 as it had been in 2008 when a prior housing needs assessment was conducted. Additionally, the report concluded that housing in the Estes Valley was not affordable—housing is considered affordable when the monthly payment for the rent or mortgage is equal to or no more than 30% of a household’s gross income. The study also found that many housing units are too small for families, the condition of many housing units is

substandard, and there is not enough housing available for people who work in the area to live in the Estes Valley.

In February 2018, the Estes Park Economic Development Corporation (EDC) in partnership with the Estes Valley Investment in Childhood Success (EVICS) issued the *Estes Park EDC Childcare Needs Assessment*. The report estimated that there were nearly 500 children under the age of six in the Estes Valley, with 85% of those children having all parents in the workforce. At the time, licensed childcare providers could provide for a total of 170 children in daycare, with 104 slots for full-time daycare and 66 slots in part-time daycare. Eight of those licensed daycare slots could be filled by children under the age of one, and four of the spaces could be filled by children between one and two and a half years of age. All the slots for children under two and a half were in licensed daycare homes. The cost of daycare ranged from \$30 to \$40 per day per child, making full-time daycare cost between \$150 to \$200 per week or \$600 to \$800 per month.

In November 2018, the Estes Park Town Board created the Ad-Hoc Task Force on Workforce Housing and Childcare to develop recommendations for the Board on the Town's role related to workforce housing and childcare. The Task Force issued its findings, *Workforce Housing and Childcare Ad-Hoc Task Force Final Report* to the town in June 2019. This report reiterated the findings of the 2016 Estes Park Area Housing Needs Assessment and the 2018 Estes Park EDC Childcare Needs Assessment and made recommendations to the Town Board.

These recommendations included clarifying “roles and objectives among the community stakeholders working to address the availability and affordability of housing; establishing workforce housing guidelines; participating in a workforce housing strategic plan; providing financial support for project-specific funding requests from the Estes Park Housing Authority, land-purchase opportunities, and large utility tap fee subsidy requests, to Adapt the Estes Valley Development Code to make it easier to develop workforce housing, incentivizing downtown housing, incorporating workforce housing in strategic planning, utilizing town-owned land to develop workforce housing.

The report also recommended that the Town Board work with local leaders and the county to expand childcare capacity, provide financial support for childcare efforts, set aside funds to invest in childcare capacity particularly for infants and toddlers in a manner similar to the investment in workforce housing, such as supporting project-specific funding requests, land- or facility-purchase opportunities, and large utility tap fee subsidy requests for new facilities, and utilizing town-owned land suitable for childcare facilities.

### **Strategic Plan Connection**

- Larimer County Strategic Plan (2019-2023)

- Goal 2 - Everyone in Larimer County has access to economic opportunities and a vibrant quality of life. We work together to remove barriers.
  - Objective 3 - By 2023, Larimer County will work collaboratively with public and private entities to increase capacity for childcare so that at least one licensed childcare spot in family childcare homes, childcare centers or preschool settings exists for every 1.5 children in the community.
  - Objective 4 - By 2023, Larimer County will reduce the housing overburdened ratio by at least 5% for both owned and rented units. Strategies may include partnerships with municipalities and other agencies to develop and revise applicable requirements and policies; and/or champion projects that provide access to affordable housing.
- Visit Estes Park Operational Plan (2022)
  - Sales and Stakeholder Services Goal - Improve community relations by building confidence, trust and a sense of shared ownership in Visit Estes Park and the Estes Park tourism industry as well as a shared sense of accomplishment and travel's contribution to the community.
  - Visit Estes Park is uniquely situated to play a significant role in addressing our community's workforce housing and/or childcare challenges due to the recently enacted HB22-1117: Use of Local Lodging Tax Revenue. While this major expansion of authority was not anticipated in the development of the 2022 Operational Plan, Visit Estes Park believes that exploration of this new authority fits well within the District's mission and helps to serve the District's stakeholders in a new way.
- Town of Estes Park Strategic Plan (2022)
  - Outstanding Community Services Outcome Area - Estes Park is an exceptionally vibrant, diverse, inclusive, and active mountain community in which to live, work, and play, with housing available for all segments in our community.
    - Strategic Policy Statement 1 - We will support a wide range of housing opportunities with a particular focus on workforce housing.
    - Strategic Policy Statement 4 - We will support a wide range of childcare opportunities with a particular focus on infants and toddlers.

**Proposal: Create a strategic framework to evaluate placing a measure on the November 2022 ballot that would increase the lodging tax to fund investments in workforce housing and/or childcare.**

- Visit Estes Park (VEP) will take the lead role in managing and facilitating this initiative in close collaboration with Larimer County (County), the Town of Estes Park (Town), Estes Park Housing Authority (EPHA), and the Estes Park Economic Development Corporation (EDC). To this end, VEP will:
  - Hire a temporary project manager;
  - Create and appoint a community task force with input from partners listed above; and

- Lead the organization of legal counsels from VEP, County, and Town to craft ballot language based on Task Force recommendations.
- Simultaneously with the Task Force's work to explore the creation of a ballot measure, two workgroups will build out more details around the programs/strategies that could be funded with this money (both housing and childcare). This work and these strategies will be relevant whether or not the Task Force recommends pursuing a ballot measure. It should be noted that EPHA and the Town are currently working on developing a Housing Needs Assessment and Strategic Plan (timeline for completion is likely the end of the year).
  - Workforce Housing Collaborative (EPHA, EDC, Town) will coordinate workforce housing strategies
  - Childcare team will need to be assembled to coordinate childcare strategies

### **Task Force Purpose**

- A Lodging Tax Exploration Task Force will be formed in order to foster regional coordination and cooperation and to:
  - 1) Provide an organizational framework to ensure effective communication and coordination among representatives of Larimer County, the Town of Estes Park, the Local Marketing District, lodging partners, workforce housing and childcare advocates and other local leaders in the district.
  - 2) Serve as a vehicle for the collection and exchange of information and expertise and representation of the interests of the residents and businesses inside the Estes Park Local Marketing District boundaries.
  - 3) Provide a forum to identify, discuss, study and collectively endorse solutions to regional workforce housing and childcare initiatives for consideration by the Board of County Commissioners, Town of Estes Park Board of Trustees and Visit Estes Park Board of Directors.
  - 4) Present recommendations to VEP Board members, Town of Estes Park Board of Trustees, and the Board of County Commissioners for consideration.

### **Task Force Composition**

- Voting members (strive for a balance from town and county)
  - 2 large hotel/motel owner
  - 2 small hotel/motel owner
  - 2 vacation home rental owner industry reps
  - 1 RV/campground owners
  - 2 workforce housing proponents
  - 2 childcare proponents
  - 3 "at-large" community seats (strive for those experiencing the need; either childcare or housing) - no residency requirement
- 5 Board liaisons (one from the BOCC, two from VEP, two from TB)
- Advisory staff members from
  - VEP

- County
- Town
- EPHA
- EDC
- EVICS
- Zoom meetings, open webinar format but no public participation

### Timeline

- April 16th - 22nd - Finalize proposal with input from County/VEP/Town Boards
- April 22nd - May 6th - Task Force formation
  - Town and VEP solicit applications (name, address, category, why are you interested in participating, can you commit to a weekly meeting for the duration of the task force, do you anticipate any conflicts of interest/applying for funds from any resulting program), VEP collects applications through Google Form (paper backup)
    - Date and time (12:00 pm) of each meeting in application materials (two hours)
  - VEP consultant develops slate for VEP Board consideration
- May 9th - Task Force appointed by VEP Board at special meeting
- May 18th - Task Force Meeting #1
  - Ground rules, task, deliverables, structure (dealing with one major question per meeting)
  - Question: Do we want to pursue an increase to the lodging tax levied by the local marketing district for the purposes of workforce housing and/or childcare? If yes, Town Clerk generates election calendar with "must meet dates" and Town/VEP solidify details of our cooperation (Town Clerk is the Designated Election Official for VEP per Town/County IGA)
- May 25th - Task Force Meeting #2
  - Question: What should the funds be designated for (i.e. workforce housing, childcare, both)?
    - If both, a specific percentage to each?
    - If both, would the breakdown be decided by the voters or by the organization responsible for oversight and prioritization/allocation of the funds?
- June 1st - Task Force Meeting #3
  - Question: What percent increase should be pursued?
- June 8th - Task Force Meeting #4
  - Question: Who should be responsible for oversight and prioritization/allocation of the funds?
- June 15th - Task Force Meeting #5
  - Question: What level of programmatic detail is necessary for voters to adequately assess the merits of a ballot measure?
- June 22nd - Final Task Force meeting
  - Clean up any outstanding items

- June 23rd - Task Force recommendations due to County/VEP/Town
- June 24th - Packet materials due for joint meeting between County/VEP/Town Boards
- Week of July 4th - First joint meeting between County/VEP/Town Boards, presentation from the task force, questions and answers
- Week of July 18th - Final Joint Meeting between County/VEP/Town Boards to come to agreement on principle of direction for ballot initiative. Purpose of meeting will be:
  - Consensus on whether or not to pursue a ballot measure increasing the lodging tax; and
  - Consensus on the major principles underlying any proposed ballot initiative in sufficient detail for Visit Estes Park to develop formal ballot language
- IF IT IS DECIDED TO PURSUE A BALLOT INITIATIVE:
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  - July 25th - VEP/Town (DEO) notify the County Clerk of intent to take formal action to participate in the 2022 coordinated election
  - July 29th - Last day to notify the County Clerk of intent to take formal action to participate in the 2022 coordinated election
  - August 25th - VEP considers certifying ballot content and Intergovernmental Agreement agreeing to participate in the 2022 coordinated election
  - August 30th - Deadline for VEP signing Intergovernmental Agreement agreeing to participate in the 2022 coordinated election
  - September 9th - Last day for VEP to certify ballot content to County Clerk
  - VEP works provisional language into Operating Plan due to the Town and County by September 30th to ensure that, if the ballot measure passes, there is accommodating language in the 2023 Operating Plan.