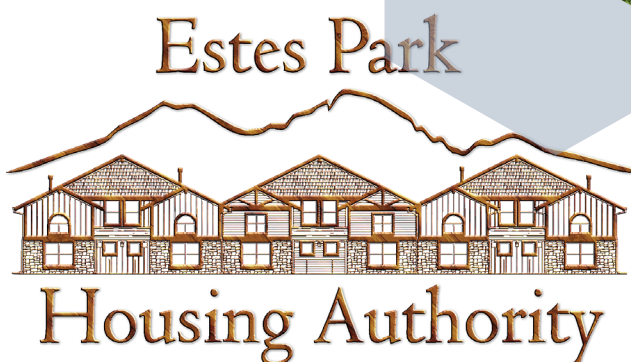


# 2024 Estes Park Housing Authority Annual Housing Supply Plan



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## INTRODUCTION

In 2023, the Estes Valley experienced a significant transformation in the housing and childcare sectors. The approval of ballot initiative 6E, also known as the Lodging Tax Extension, has paved the way for improved housing outcomes and availability for our local workforce and residents.

As anticipated, 2023 was a year of preparation and planning for organizations dedicated to Housing and Childcare in the Estes Valley. They focused on maximizing the new funding source to expand capacity and ensure effective utilization. This report will provide an overview of the progress made in 2023 and will specifically focus on the Estes Park Housing Authority's Housing Supply Plan for 2024 and beyond. It is important to note, while this report mainly addresses housing, childcare funding is also obtained from the same tax initiative, which can impact the available funding for housing in a given year.

The intent and purpose of this report, the first annual of its kind for the Estes Valley, is to set the anticipated framework for the annual spending plan. It will outline a range of housing initiatives anticipated to be undertaken in the coming year. This will include housing programs, new developments, redevelopments, and any other housing initiatives the Estes Park Housing Authority has identified in the housing pipeline or anticipates. This review will include a range of developments, program initiatives, along with conceptual plans. Flexibility and an understanding that as with any good plan, the boots on the ground reality may necessitate a change in strategy or approach after this plan is drafted. This same exercise and planning effort will continue on an annual basis, allowing for evaluation, refinements, and progression of housing solutions brought to bear.

### Continuing demand on housing in the estes valley – it's importance to community

In 2023, a new Housing Strategic Plan and Needs Assessment were published, building upon the data from the 2016 assessment. The report can be found [here](#). The 2023 assessment revealed a concerning trend for the Estes Valley, with a significant increase in the older demographic. The population aged 65 or older grew from 25% in 2010 to 31% in 2020, while the population aged 17 or younger decreased from 15% to 11%. Only about 13% of Estes Valley

households have children under the age of 18-substantially lower than the broader region and other communities in Larimer County.

A diverse population is critical to a community's infrastructure, without it, communities run a risk of stagnating. Housing plays a vital role our community's ability to remain vibrant, diverse, inclusive, and most important of all, provides a foundation for our community and visitors to flourish and thrive.

The pace of housing unit growth in the past decade is the slowest since the 1960s. The number of units built since 2010 is only 42% of the average units built per decade in the 70s, 80s, 90s, and 00s. The median home sale rose 50% from March 2020 to September 2022, from \$392,000 to \$585,000 respectively. Affordability has also declined in the rental market, as rent hikes outpaced income growth. These factors are only becoming more exaggerated in a high interest rate environment as inflation cools to more reasonable levels. Affordability levels seen pre-COVID may never return, placing increased pressure on housing.

According to the 2023 Housing Needs Assessment, the Estes Valley requires an additional 1,220 dwellings to meet existing demand, and an additional 1,500 dwellings by 2030 due to the retiring workforce and anticipated job growth. The Housing Strategic Plan sets a 5-year target of developing between 300-400 dwellings. It also identifies strategies to preserve and convert existing housing to meet the needs of the Estes Valley. Meeting these targets will require varied solutions, focusing on preserving attainable housing for the local workforce, developing new housing opportunities, and converting existing homes for permanent and affordable workforce use.

## WHERE DO WE GO FROM HERE

The Estes Valley Community has requested direct support from our valued visitors to sustain the vibrancy of our community and our ability to welcome them warmly. As a result, the Town of Estes Park and the Estes Valley citizens have turned to The Estes Park Housing Authority (EPHA) to develop and implement housing strategies that will promote a vibrant, inclusive, and diverse community by ensuring affordable and accessible housing for all.

The EPHA Board of Directors and Staff are ready to embrace the future with renewed energy, purpose, and vision to better serve the Estes Valley.

## FORWARD WE MOVE, TOGETHER, UNIFIED, AND ENERGIZED TO CREATE A NEW HOUSING FUTURE IN THE ESTES VALLEY

### CONTINUED CAPACITY BUILDING 2023-2024

#### GENERAL ORGANIZATIONAL AND STAFFING CAPACITY

As of August 2023, the Estes Park Housing Authority (EPHA) has two new positions available to support housing initiatives in the future. We are looking to hire a Housing Program Manager and a Director of Real Estate Development to strengthen our capacity. These roles are crucial in our mission to provide better housing solutions.

Once hired, the Housing Program Manager will be responsible for developing new programs, including enhanced down payment assistance, deed restriction purchasing, auxiliary dwelling unit incentives, and other initiatives to increase and preserve the supply of affordable housing for our local workforce. On the other hand, the Director of Real Estate Development will take the lead in managing new development, rehabilitation projects, and land banking for EPHA. Together, these positions will help us make a significant impact on our community.

*\*\* As of December 2023, both positions discussed above have been filled or candidates selected.*

#### Fostering public private partnerships

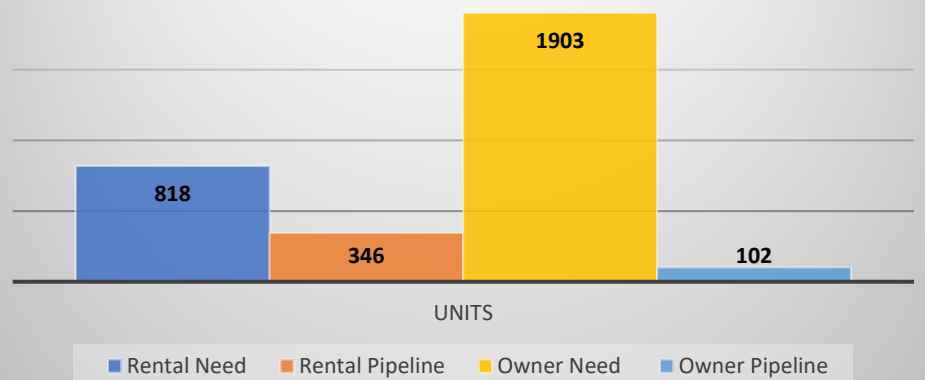
A significant tool in the toolbelt of housing solutions is the ability for EPHA to enter public private development partnerships. Leveraging private developers, landowners, and other solutions driven groups in the Estes Valley will expand on EPHA's ability to effect timely and impactful influence on the availability of housing options. EPHA anticipates continued efforts on this front in 2024, building from relationships of which seeds were planted in 2023.

## DEVELOPMENT AND 5-YEAR PROJECT PORTFOLIO

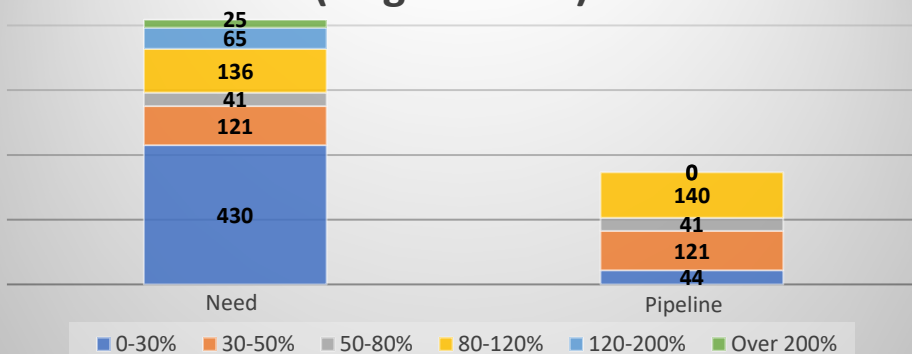
The development pipeline in the Estes Valley is looking strong as we proceed into 2024. Economic and interest rate headwinds will undoubtedly play a significant role in the ability of EPHA or any developer to catalyze new development and the lending environment tightens. Housing has funding momentum, not only locally but with the November passage of Colorado State Proposition 123 and the recent (August 2023) successful opt-in by the Town of Estes Park into Proposition 123.

From the 2023 Housing Needs Assessment, this chart compares the stated need in the rental market vs the rental units in the development pipeline, and the same for demand for owned unit's vs development pipeline.

### Rental and Owner Unit Pipeline (August 2023)



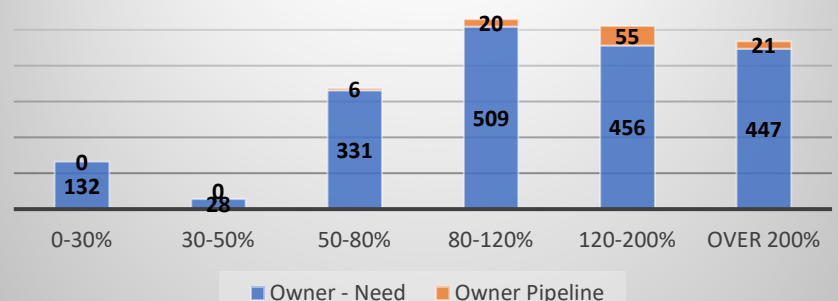
### Rental Need vs. Pipeline (August 2023)



Continuing from the 2023 needs assessment, this chart reflects the owner need by Area Median Income bracket vs development pipeline.

Continuing from the 2023 needs assessment, this chart reflects the rental need by Area Median Income bracket vs development pipeline.

### Owner Need vs Pipeline



## DEVELOPMENT PIPELINE – CAPITAL PROJECTS

The Estes Park Housing Authority will typically approach capital projects and the development of new housing with four varying strategies:

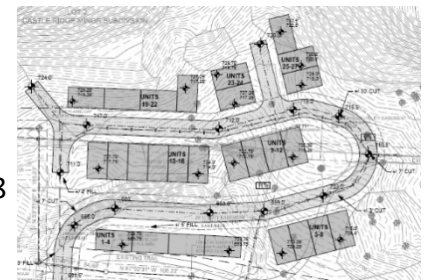
- EPHA as the Developer
  - EPHA will serve as developer.
- Request for Proposals Projects
  - Will include Request for Proposal (RFP) processes.
  - Seek development partner(s) for specific locations, unit type mix, and affordability.
- Non-Profit Developer Projects
  - Partnership developments with organizations such as Habitat for Humanity or Community Land Trusts.
- Opportunity Projects/Partnerships/Public Private
  - Do not include RFP process.
  - Leverage unique situations or partnerships to leverage available land for development or redevelopment.

## CURRENT PROJECTS – ACTIVE SITE CONTROL – APPROX. 281 UNITS

This section will outline anticipated capital development projects that are either in the direct control of the Estes Park Housing Authority or the Town of Estes Park. These projects typically represent the greatest level of site control and ability to develop.

### CASTLE RIDGE – OWNERSHIP

- EPHA-owned project / EPHA as Developer
- RFP General Contractor
- Anticipated 29-31 ownership units <140% AMI – Purchased 2018
- EPHA/Public (6E) Investment in land: approx. \$21,380/unit



EPHA anticipated securing engineering firm engagement in Q3 of 2023 to begin horizontal site work requirements and cost estimates. This step will coincide with funding efforts. EPHA anticipates seeking financing through various Proposition 123 initiatives. Groundbreaking is targeted for Q3 2024 but is highly dependent on funding availability in a difficult and competitive funding environment. As of this writing, the concept is to develop approximately 29 townhome style homes which will be deed restricted to local workforce and income restricted (anticipated target is <140% AMI).

## RIVERSIDE – OWNERSHIP

- EPHA owned project / EPHA as Developer
- RFP General Contractor
- Anticipated 10-12 ownership units <140% AMI – Purchased 2023
- EPHA/Public (6E) Investment in land: approx. \$88,400/unit

EPHA anticipates engaging in predevelopment and concept design in Q1 2024. Assuming organizational capacity is in place, EPHA anticipates seeking funding and possibly beginning development in Q4 2024. As of this writing, the concept is to develop approximately 10-12 townhome style homes which will be deed restricted to local workforce and income restricted (anticipated target is <140% AMI).



## FISH HATCHERY – MIXED-INCOME RENTAL

- Town of Estes Park (ToEP) Owned Site
- EPHA anticipates partnering with ToEP to develop.
- Special Opportunity Project or RFP for Joint Developer w/EPHA Partnership (LIHTC/SLP)
- Anticipated 80-190 rental units.
- Town Owned Land: approx. \$0/unit raw land cost

After pursuing a development partnership following a 2021 RFP process, the Town of Estes Park in cooperation with the Estes Park Housing Authority, chose to step back from pursuing a workforce rental development at the Fish Hatchery site given changing conditions in both the financial markets, constructions costs, and market demand. EPHA anticipates working with the Town of Estes Park to enter into an agreement to facilitate development of a mixed income rental project. Both the Town of Estes Park and the Estes Park Housing Authority seek to leverage work effort spanning from 2021-2023 to jumpstart the development of a mixed income site. EPHA anticipates pursuing Low-Income Housing Tax Credits (LIHTC) to develop the site in coordination with our development partners.



## 179 STANLEY CIRCLE DRIVE – RENTAL

- ToEP Owned site
- RFP Development Partner or EPHA as Developer
- Anticipated 12 rental units <100% AMI
- Town Owned Land: approx. \$0/unit raw land cost

The Town of Estes Park is actively engaging with Ayres and Associates for site concept work and financial analysis. This project is in the very early planning and concept stage, but does present an opportunity to move rather quickly. EPHA anticipates working in partnership with ToEP to pursue a development of housing on this site in Q4 2023 with possible development beginning in 2024.

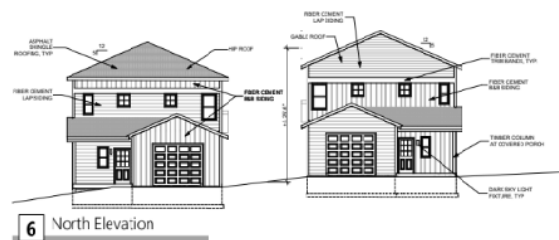
*\*\*As of December 2023, this project is on hold pending funding availability and priorities.*

## **CURRENT PROJECTS – PRIVATE/NONPROFIT – APPROX. UNITS**

This section will outline anticipated and publicly known development projects. Some of the projects listed may present the opportunity for joint public/private partnerships. Opportunity projects such as these present additional opportunities for the Estes Park Housing Authority to leverage the private development market to expand organization reach and capacity to bring more units to market more quickly. EPHA is consistently and actively engaged in project concepts for redevelopment, new development, and repurposing of existing sites to increase the availability of housing in the Estes Valley. Many of these conversations occur over years and may take years to bear any fruit. Projects and concepts listed here are just the surface of what is possible given the right economic conditions, partnerships, and funding opportunities.

## RAVEN (HABITAT) - OWNERSHIP

- Habitat for Humanity South St. Vrain
- Five single family for purchase homes



Habitat for Humanity of the South St. Vrain is working to develop five small lot single-family lots for the building of five single-family homes. Ownership opportunities in the Estes Valley at attainable rates is a great demand and the Estes Park Housing Authority supports the efforts of Habitat to develop this site and the required down zoning from Residential Multi-family to R1 (assumed as of Sept 2023).

## FUNDING FOR HOUSING

The Estes Park Housing Authority (EPHA) is a quasi-governmental agency which is supported by the rents charged to its residents. The Estes Park Housing Authority receives no directed Federal or State funding for the operation of the enterprise. Historically, EPHA has received a small level of base funding from the Town of Estes Park. For the past decade this has ranged from \$62,000 in 2012 to \$50,000 in 2023, averaging about \$41,000 annually since 2012. This represents approximately 2% of EPHA's operating budget (All entities under EPHA's control). EPHA receives IT services support from the Town of Estes Park (ToEP), paying about \$19,000 for these services back to ToEP. Net base funding from the Town of Estes Park averages about 1% of EPHA's operating revenue.

In July of 2022 the Estes Park Housing Authority entered into a Memorandum of Understanding (MOU) with the Town of Estes Park to administer and use the Lodging Tax Extension (6E) tax funds dedicated to workforce housing per the Annual Funding Plan. EPHA anticipates this funding to provide approximately \$4.5 million to \$5 million annually in the support of EPHA in the expansion of solutions dedicated to workforce housing. The process to execute a new MOU for these purposes, and the standard time delayed rhythm of lodging tax collections led to 2023 largely being anticipated to be a capacity and planning year as it related to 6E funds. As of September 2023, the writing of this report, this has largely held true; although significant steps have been taken to form a strong foundation for action in late 2023 and into 2024.

### SUMMARY 2024 PROPOSED BUDGET

## Estes Park Housing Authority (EPHA) - Lodging Tax Extension 2024 Budget

	2023 - Anticipated	2024 - Proposed
<b>Total Income</b>	<b>\$ 4,750,000</b>	<b>\$ 5,425,740</b>
<b>Total Total Admin Expense</b>	<b>\$ 256,400</b>	<b>\$ 423,990</b>
<b>Total Program Expense</b>	<b>\$ 500,000</b>	<b>\$ 1,850,000</b>
<b>Total Taxes and Insurance Expense</b>	<b>\$ 20,927</b>	<b>\$ 85,222</b>
<b>Total Financial Expense</b>	<b>\$ 46,985</b>	<b>\$ -</b>
<b>Total Development Expense</b>	<b>\$ 3,249,948</b>	<b>\$ 2,806,500</b>
<b>Total Expense</b>	<b>\$ 4,074,260</b>	<b>\$ 5,165,712</b>
<b>Net Income (Retained)</b>	<b>\$ 675,740</b>	<b>\$ 260,028</b>
<b>Net Adjustment to Cash Flow - Op &amp; Dev</b>		
<b>Total Net Adjustment to Cash Flow - Op &amp; Dev</b>	<b>\$ 675,740</b>	<b>\$ 244,055</b>

# Estes Park Housing Authority (EPHA) - Lodging Tax Extension 2024 Budget

2023 -                      2024 -  
Anticipated                  Proposed

<b>Operating Income</b>		
6E   Lodging Tax Extension ToEP Tsfr In	4,750,000	4,750,000
6E   Lodging Tax Extension 2023 Carryover	-	675,740
<b>Total Operating Income</b>	<b>\$ 4,750,000</b>	<b>\$ 5,425,740</b>
<b>Development and Other Income</b>		
<b>Total Development and Other Income</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Income</b>	<b>\$ 4,750,000</b>	<b>\$ 5,425,740</b>
<b>Direct Operating Expenses</b>		
<b>Admin Expenses</b>		
EPHA Base Funding (Replace ToEP+)	-	80,000
Program and Development Staff	112,500	258,750
Recruitment	64,750	-
Accounting Fees	18,750	60,000
Telephone Services	600	840
Publications, Dues & Subscriptions	500	1,000
Travel and Training	1,500	6,500
Office Equipment	12,500	1,000
Computer Supplies	300	500
Software Solutions (Compliance)	25,000	5,400
Rebranding and Public Relations	20,000	10,000
<b>Total Total Admin Expense</b>	<b>\$ 256,400</b>	<b>\$ 423,990</b>
<b>Program Expense</b>		
Cash Buyer	-	500,000
Rental Assiatance	200,000	300,000
Deed Restriction Program	300,000	1,050,000
<b>Total Program Expense</b>	<b>\$ 500,000</b>	<b>\$ 1,850,000</b>
<b>Taxes and Insurance Expense</b>		
Payroll Taxes-Admin	19,575	45,023
Workers Comp-Admin	277	13,399
Employee Insurance-Admin	1,075	25,800
Other Employee Benefits-Admin	-	1,000
<b>Total Taxes and Insurance Expense</b>	<b>\$ 20,927</b>	<b>\$ 85,222</b>
<b>Financial Expense</b>		
Interest Expense Castle Ridge	24,065	-
Interest Expense Riverside	22,920	-
<b>Total Financial Expense</b>	<b>\$ 46,985</b>	<b>\$ -</b>
<b>Development Expense</b>		
Audit EPDC	4,500	6,500
Land Acquisition	2,400,000	2,200,000
Riverside Acquisition / Pre-development	225,448	350,000
Castle Ridge Dev Expense	620,000	250,000
<b>Total Development Expense</b>	<b>\$ 3,249,948</b>	<b>\$ 2,806,500</b>
<b>Total Expense</b>	<b>\$ 4,074,260</b>	<b>\$ 5,165,712</b>
<b>Net Income (Retained)</b>	<b>\$ 675,740</b>	<b>\$ 260,028</b>
<b>Net Adjustment to Cash Flow - Op &amp; Dev</b>		
<b>Total Net Adjustment to Cash Flow - Op &amp; Dev</b>	<b>\$ 675,740</b>	<b>\$ 260,028</b>

## OWNERSHIP PROGRAMS

### DEED RESTRICTION PROGRAMS

In late 2023 and Q1 2024, EPHA plans to conduct a thorough review of deed restriction programs with the aim of finding solutions that meet the needs of Estes Valley Residents. The main objective of these programs will be to protect the current housing supply for the local workforce. The following concepts will be explored and potentially implemented:

1. Offering down payment assistance/grants to new homebuyers in exchange for a deed restriction that restricts the use of the property to workforce housing.
2. Purchasing deed restrictions from current homeowners to limit future use of their homes.

### CASH BUYER PROGRAM

EPHA is considering implementing a cash buyer program to level the playing field for home purchases. This program would allow EPHA to buy properties on behalf of pre-approved local workforce buyers. Once approved, buyers would have 90 days to complete the purchase. EPHA will assess the feasibility and effectiveness of the program and determine the necessary tools and processes. However, it is important to acknowledge that in a rising interest rate environment, this program may not be a viable option.

### EMPLOYER ASSISTANCE

EPHA will also explore assistance programs for local employers which could provide incentives and/or assistance for employers purchasing workforce rental units.

# RENTER PROGRAMS

## RENTAL ASSISTANCE

EPHA plans to launch a program to directly assist full-time, year-round renters in the Estes Valley who sign a new 12-month lease. Successful applicants will be eligible for up to two months' worth of rental payment, which will be paid directly to the landlord. This program will offer a grant component and a payback schedule based on specific criteria. The primary aim of this initiative is to alleviate the financial strain faced by local workers who struggle to afford private rentals due to the high deposit required for the first and last month's rent.

## SEASONAL HOUSING

The Estes Park Housing Authority is actively assessing ways to improve housing options for our seasonal and visa workforce. These workers play a crucial role in our community, as they contribute to providing a high-quality visitor experience for our tourism-based economy. EPHA aims to form partnerships or offer assistance to local entities in order to enhance seasonal housing options, create more opportunities, and ultimately improve the quality of existing accommodations.

## HOUSING DATA

### Restricted Housing Pipeline Data Table

Income Range Area Median Income (AMI %)	0-30%	30-50%	50-80%	80-120%	120-200%	>200%	Total
<b>Total Deed Restricted Units in Pipeline</b>	<b>64</b>	<b>132</b>	<b>31</b>	<b>145</b>	<b>55</b>	<b>21</b>	<b>448</b>
% Total Restricted Units in Pipeline	14%	29%	7%	32%	12%	5%	100%
In Planning Phase	64	132	25	37	6	-	264
In Preapplication Phase	-	-	-	14	14	-	28
In Predevelopment Phase	-	-	6	-	-	-	6
In Building Phase	-	-	-	94	35	21	150
<b>Total Deed Restricted Rental Units in Pipeline</b>	<b>64</b>	<b>132</b>	<b>25</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>346</b>
% Total Restricted Rental Units in Pipeline	18%	38%	7%	36%	0%	0%	100%
In Planning Phase	64	132	25	31	-	-	252
In Preapplication Phase	-	-	-	-	-	-	-
In Predevelopment Phase	-	-	-	-	-	-	-
In Building Phase	-	-	-	94	-	-	94
<b>Total Deed Restricted Ownership Units in Pipeline</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>20</b>	<b>55</b>	<b>21</b>	<b>102</b>
% Total Restricted Ownership Units in Pipeline	0%	0%	6%	20%	54%	21%	100%
In Planning Phase	-	-	-	6	6	-	12
In Preapplication Phase	-	-	-	14	14	-	28
In Predevelopment Phase	-	-	6	-	-	-	6
In Building Phase	-	-	-	-	35	21	56