

# RIDGEGATE

## ATTAINABLE and MIDDLE INCOME HOUSING PLAN

1<sup>st</sup> Amendment, Approved April 16, 2024





City Council Approval

The RidgeGate Attainable and Middle Income Housing Plan 1<sup>st</sup> Amendment is hereby approved by the City Council of the City of Lone Tree, Colorado, on this day 16 of April, 2024, by Resolution No. 24-19.

*Jaqueline A. Millet*

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Mayor

*Patricia Lupa*

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City Clerk



# RidgeGate Attainable Housing Plan

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## Section 1: INTRODUCTION

This Attainable Housing Plan for RidgeGate is the Attainable Housing Plan required by Section 7 of the Second Amendment to the Amended and Restated Annexation and Development Agreement with Respect to the East Side Property (RidgeGate East Annexation Agreement) approved April 16, 2024, between the City of Lone Tree and RidgeGate Investments, Inc. (the “RidgeGate East Annexation Agreement”), and referenced in the Lone Tree City Center and RidgeGate East Villages Sub-Area Plans approved by the Lone Tree City Council on February 6, 2018 (as amended, collectively, the “Sub-Area Plans” and respectively, the “City Center Sub-Area Plan and “East Villages Sub-Area Plan”).

This 1<sup>st</sup> Amendment is intended to expand housing options to include the option for Middle Income Housing, which has been identified as a needed housing category for individuals in the 80% to 120% of Area Median Income category and for which new funding sources are emerging.

### Statement of Need and Intent

The City of Lone Tree and RidgeGate recognize the importance of having and preserving a diverse housing stock that provides options and choices for every life stage and allows residents to remain in Lone Tree as they age while also supporting housing for a variety of income levels, providing the opportunity for people to live close to their jobs in Lone Tree.

Everyone benefits when current and future residents are able to thrive in a welcoming community with a robust economy, access to good schools, affordable homes, healthy social and recreational opportunities as well as a regional transportation network including light rail. The development of Attainable Housing<sup>1</sup> and Middle Income Housing<sup>2</sup> in Lone Tree is also closely tied to its successful and sustainable economic development by providing employers competitive advantages in terms of housing support for a local workforce. Accordingly, the City of Lone Tree Comprehensive Plan recognizes that the encouragement of development of the full range of affordable housing is an important element of land use planning.

The intent of this plan is to provide guidelines for the design, process, and administration of the Attainable Housing and Middle Income Housing commitments outlined in the RidgeGate East Annexation Agreement and also the Sub-Area Plans. In the event of any conflict between the

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<sup>1</sup> “Attainable Housing” means a residential dwelling unit that is restricted to occupancy by a person or persons with annual income(s) at or below either 60% or 40% of the area median income (AMI) for Douglas County, as defined by the U.S. Department of Housing and Urban Development, for a period of thirty (30) years.

<sup>2</sup> “Middle Income Housing” means a residential dwelling unit that is restricted to occupancy by a person or persons with annual income(s) between 80% to 120% of the area median income (AMI) for Douglas County, as defined by the U.S. Department of Housing and Urban Development, for a period of thirty (30) years.

RidgeGate East Annexation Agreement and this Attainable Housing Plan, the terms of the RidgeGate East Annexation Agreement will control.

City of Lone Tree Comprehensive Plan Reference (2019)

The Lone Tree Comprehensive Plan recognizes that home and rent prices are unaffordable to many people working in the community, which leads to traffic and economic impacts. The Plan encourages a range of housing types and affordability ranges to accommodate a broad range of demographic groups in the city.

RidgeGate City Center and East Villages Sub Area Plan References (as approved 2/6/2018)

Page 34 (City Center) and Page 21 & 73 (East Villages): The shared intent of the City and RidgeGate is to provide for Attainable Housing Units (AHU's) that provide opportunities for people who work in the area to also live there and to meet a need for affordable housing.

In furtherance of the foregoing, the City and RidgeGate Investments, Inc. have agreed upon certain requirements with respect to Attainable Housing and Middle Income Housing which are set forth in Section 7 of the RidgeGate East Annexation Agreement and referenced in the Sub-Area Plans, and this Attainable Housing Plan is intended to provide further detail regarding those requirements. Consistent with Section 7 of the RidgeGate East Annexation Agreement, this Attainable and Middle Income Housing Plan calls for the attainable housing for persons or households with incomes at or below either 60% or 40% of the Area Median Income (AMI) for Douglas County (as determined by HUD and updated annually) and an option for units to be Middle Income Housing units serving those between 80% and 120% of the AMI for Douglas County.

## Section 2: FRAMEWORK COMMITMENTS

### General

- ✓ All Attainable and Middle Income Housing Units referenced in this plan represent the minimum housing obligations required per the RidgeGate East Annexation Agreement.
- ✓ The Attainable and Middle Income Housing units referenced in this plan may be provided in one project, or divided among multiple projects in order to reach the minimum unit requirements provided herein. The units may be all for-rent apartment units, or a mix of for-rent and for-sale housing units. Projects may be all Attainable and/or Middle Income Housing units, or may include a mix of market-rate and Attainable and/or Middle Income Housing units.
- ✓ In projects with a mix of market-rate and Attainable and/or Middle Income Housing units, a household that exceeds 140% of the income limit may be converted to market-rate status and lose its rent-restricted status but must be replaced by another rent restricted unit in the project.
- ✓ All Attainable and Middle Income Housing units are to be restricted for a period of at least thirty (30) years for occupancy by a person or persons meeting the annual income criteria unless a longer term is required by Low income Housing Tax Credit (LIHTC) or other financing requirements, or as a result of incentives by the City, and is agreed upon by RidgeGate Investments, Inc..
- ✓ Upon completion of construction of a project on which Attainable and/or Middle Income Housing units are developed in satisfaction of this plan, the developer shall enter and record against the project a Land Use Restriction Agreement (LURA) that specifies the number of Middle Income Housing units and/or the number and category (i.e., percentage of AMI) of Attainable Housing units and ensures that the Attainable Housing or Middle Income Housing units will be kept affordable for a minimum period of thirty (30) years.
- ✓ In the event that the timely commencement of construction of any Attainable or Middle Income Housing units is prevented or delayed as a result of the developer not being able to obtain sufficient Section 42 LIHTC or similar financing and other incentives from third parties needed to make the development of such Attainable or Middle Income Housing units economically feasible, then the deadlines specified below shall be automatically extended for a maximum of twelve (12) months.
- ✓ The City of Lone Tree agrees to work with attainable housing developers to assist in obtaining incentives to enable the project to become economically feasible and to extend the length of the 30-year affordability period (subject to the consent of RidgeGate Investments, Inc.). The City is not under any obligation to provide any direct incentives. However, the City may consider fee waivers, variances, expedited review processes and other incentives. The City acknowledges that some Colorado Housing Finance Authority



(CHFA) subsidies and other public funds require local government contribution<sup>2</sup>. All specific forms, procedures and requirements to ensure compliance by RidgeGate and the owners of any designated Attainable or Middle Income Housing units will be as required by the Federal and State agency of jurisdiction.

#### 60% AMI or MIHA

- Minimum 265 units to be located within one-half (1/2) mile of the RidgeGate Parkway Light Rail Station.
  - The above units may be all Middle Income Housing units, all Attainable Housing units, or any combination thereof as RidgeGate may elect.
- Minimum 165 units to be located along RidgeGate Parkway in the Couplet District and which are age-restricted senior housing units.
- The above units must commence construction (pouring the foundation of the applicable building) within 5 years of the issuance of the first non-residential building permit for development within the associated areas described above. If construction is not commenced by such date (as it may be extended as described above), RidgeGate Investments, Inc. is obligated to convey land to the City of Lone Tree as specified in Section 7(h) of the RidgeGate East Annexation Agreement.

#### 40% AMI or MIHA

- 50 units to be located within one-half (1/2) mile of the Lone Tree City Center Light Rail Station.
- The units required in this area may be all Middle Income Housing units, all Attainable Housing units or any combination thereof as RidgeGate may elect.
- The above units must commence construction (pouring the foundation of the applicable building) within 7 years of the issuance of the first non-residential building permit for development within the associated area described above. If construction is not commenced by such date (as it may be extended as described above), RidgeGate Investments, Inc. is obligated to convey land to the City of Lone Tree as specified in Section 7(h) of the RidgeGate East Annexation Agreement.

#### Other

- RidgeGate Investments, Inc., in its sole discretion based on market conditions, viability, availability of adequate financing and other incentives and other relevant factors, may also designate additional Attainable and/or Middle Income Housing units, restricted for a period of 30 years to occupancy by a

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<sup>2</sup> From 2018 CHFA QAP ([https://www.chfainfo.com/arh/lihtc/LIHC\\_Documents/2018\\_QAP.pdf](https://www.chfainfo.com/arh/lihtc/LIHC_Documents/2018_QAP.pdf)) both Threshold #13 for State Tax Credits.

person or persons with annual incomes (s) at or below a specified percentage of AMI to be determined upon mutual agreement of RidgeGate Investments, Inc. and the City, located in either the City Center Area or the Couplet District.

## Section 3: DESIGN ELEMENTS AND APPROVAL PROCESS

### General

- ✓ Design must be compatible with the character and context of the area in which they are located.
- ✓ Design must comply with the requirements of the City Center or East Villages Sub-Area Plans, depending upon the location of the project.

### Parking

- ✓ The City may consider Variances on non-age restricted projects to allow parking at a minimum ratio of 1/unit.
- ✓ The City may consider Variances on age restricted projects to allow parking at a minimum ratio of 0.5/unit.
- ✓ Variation from the above recommended ratios may be considered so long as the developer can provide alternative transportation methods such as RTD ECO Passes or car-share or adequately illustrate that parking demand will be below the above minimums.

### Other Design Considerations

- ✓ Neighborhood park requirements for residential projects in the City Center are deemed satisfied by the City Center Parks and Open Space program as described by the City Center Sub-Area Plan. However, residential projects are highly encouraged to provide outdoor amenity spaces and connections to trails and recreation.
- ✓ Attainable Housing and Middle Income Housing projects are encouraged to incorporate ground floor retail, restaurant or convenience store uses to provide convenient access to services and goods for residents and the surrounding neighborhoods.

### Approval Process

- ✓ All Attainable and Middle Income Housing projects must go through the City of Lone Tree's Site Improvement Plan (SIP) process per its Municipal Code, which includes review and approval by the Lone Tree Planning Commission and City Council, unless an expedited process is agreed to by the City Council.
- ✓ Prior to this SIP process, all projects in RidgeGate must go through the RidgeGate Design Review Committee (DRC) for review and approval per its Development Standards & Guidelines for Multifamily Projects.

## Section 4: ADMINISTRATION

### Regulatory Barriers and Opportunities

The City of Lone Tree will periodically assess its regulations, policies and programs to identify and mitigate barriers to the production and maintenance of Attainable and Middle Income Housing units.

### Public Investment

It is anticipated that most, if not all, Attainable Housing units will need to participate in the LIHTC program administered by CHFA and Middle Income Housing units will need to participate in the Middle Income Housing Authority funding administered by the State of Colorado in order to be economically feasible.

It is possible, however, that other sources of public and private financing may be utilized by developers of these projects.

### Douglas County Housing Partnership

The City of Lone Tree, in coordination with the Douglas County Housing Partnership, shall ensure that Attainable and Middle Income Housing projects satisfy requirements of this Plan and the Annexation Agreement.

Because projects that participate in the LIHTC program and Middle Income Housing Authority program are subject to extensive compliance and monitoring requirements promulgated and enforced by CHFA, and/or MIHA, respectively, CHFA and/or MIHA will be the City's designee with respect to monitoring and enforcement of compliance by such projects with the LIHTC or MIHA programs, and the City does not intend to adopt or impose any forms, procedures or requirements with respect to such project beyond what is required in the LIHTC or MIHA programs.

## Section 5: APPENDIX

### Tracking Spreadsheet

The attached Tracking Spreadsheet will be utilized by the City of Lone Tree and RidgeGate to track the designations of sites for Attainable and Middle Income Housing units pursuant to the RidgeGate East Annexation Agreement. As provided in Section 7(c) of the RidgeGate East Annexation Agreement, each time RidgeGate Investments, Inc. records a document identifying a site on which Attainable and/or Middle Income Housing units are to be constructed, and specifying the number and category of Attainable and/or Middle Income Housing units that are required to be constructed thereon. RidgeGate Investments, Inc. shall provide a copy thereof to the City, so that the City may update the Tracking Spreadsheet upon the recording of each such document.

APPENDIX – Tracking Spreadsheet

Requirement	# of Units	Project Name, Address & Legal	Developer Name and Contact	City of Lone Tree SIP Approval Status	Placed in Service date from CHFA or other organization (18-24 months after the Building Permit Issued), including a copy of the regulatory or other agreement as appropriate	Date of Annual Report to City Council
265 units within ½ mile of the RidgeGate Parkway Light Rail Station. Not age restricted. 60% or lower AMI Or 80%-120% AMI Middle Income						
50 units within ½ mile of the Lone Tree City Center Light Rail Station. Not age restricted. 40% or lower AMI Or 80%-120% AMI Middle Income						
165 units along RidgeGate Parkway in the Couplet District. Age-restricted. 60% or lower AMI						