

City of Ramsey

Dear Council Members,

After the Planning Commission meeting where our concept plan was reviewed, city staff requested that we submit our rationale for lot sizes. We are pleased to be able to describe why we submitted what we did.

I can understand why neighbors are initially concerned with the proposed changes to their neighborhood. As rural areas develop there are bound to be conflicts, but more importantly there will be change, and change is hard. Much of what we heard the other night was not so much about lot sizes, but instead the change from rural to urban. Any urban type (sewer & water) development is going to have a density that is significantly different than what exists today, regardless of the lot sizes. The resistance to this change is understandable, but as a city you have laid out sensible development plans that have been consistently published for years. Change is hard, but it is inevitable and many times once we get over our fear of change, change is good.

As for the specific lot sizes, we have seen a steady move across all areas of the metro towards narrower lots. The reasons for this are simple and I think well established, cost and consumer preference. The cost to install a typical urban road section (sewer, water, stormwater, streets, sidewalk) is about \$600 per lineal foot. These costs add up quickly and coupled with all the other costs of development (land, grading, impact fees, landscaping) makes it very difficult to produce lots under \$100,000. Historic percentages dictate that a lot that costs \$100,000 should have a total package price (lot and house) of \$400,000. We can quickly see how it becomes difficult to build houses that average people can afford. Therefore, we look at making lots with less road frontage to keep the lot costs down, thereby making the houses affordable for average people. The housing study commissioned by the city explicitly noted the difficulty in providing housing that was priced to meet the demand for housing in the city. The Met Council "dictates" that all new sewered development be at a density of 3 units per acre. This mandate is because they have determined that densities below 3 units per acre do not utilize the infrastructure efficiently; it is too costly to provide infrastructure to developments that are less than 3 units per acre. Our Concept plan is at 2.7 units per acre, demonstrating that we are not trying to increase density, but instead trying to contain costs, allowing our builders to provide housing that meets the demands for housing in the city. At the Planning Commission meeting there was much talk about the strain that new development will put on infrastructure. The city planned for 3 units per acre, our development, at 2.7 units per acre, will not unduly strain the existing infrastructure.

The second reason for smaller and varied lot sizes is to meet consumer preferences. Generally speaking, consumers do not necessarily desire smaller lots, but they definitely desire less maintenance. This desire for less maintenance make the smaller lots appealing. Our experience has shown that consumers are not concerned with how close their side yard neighbors are, neither does this impact their happiness. What does have a real impact on their enjoyment is how close their backyard neighbors are. This is why we work very hard to design plans that create lots with no backyard neighbors, through placement around ponds, wetlands, parks, and other open space. This is what is meaningful to our customers and ultimately makes our neighborhoods sought after places to live. Continuing on the theme of reduced

maintenance, the “Villa” product type, a house where the yard work and snowplowing are handled through an HOA, have proven to be very popular and quite resilient to economic fluctuations. This is the type of housing that we have proposed on the 55 foot wide lots. Again, the reasoning for the narrower lots is to keep the price down. Many of these buyers are empty nesters and are looking to trade their big house for a smaller house with less maintenance. And less expense to allow them to travel or have a vacation home. Further, if the yards are bigger the yard maintenance costs will drive up the HOA dues making it less affordable.

In reviewing the housing study commissioned by the city, my greatest takeaway was “choice”. The study referenced the need for a variety of housing types to give residents choices. I am very proud of our concept plan and the choices it represents. We did not propose all 55 foot lots or all 75 foot lots but instead a mix of lot types that will lead to a mix of housing types that will give residents choices. I would be delighted to show members of the City Council and Planning Commission some of our current developments where we have utilized a similar mix of lot sizes to create diverse and dynamic neighborhoods that protect, preserve and enhance the natural attributes of the land.