

## Derek Teini

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**From:** Jame Johnson <galenajohnson52@gmail.com>  
**Sent:** Saturday, June 12, 2021 10:11 AM  
**To:** Derek Teini  
**Subject:** Housing Study - for 6/22 Council Meeting

[External]

These attached comments come from my experience in working for or with entry level housing builders in Cheyenne. Note Cheyenne has about 6 contractors that seek to specialize in this market, with a volume of 5 + units per year (goal of more like 20). This creates a market driven situation, where the potential buyer demand dictates numerous aspects.

Note I also refer to a Laramie Development Code item which increased the cost of an entry level home by \$30,000 approx. This is based upon a friendly conversation with such a builder who has both Cheyenne and Laramie experience.

IN particular:

1. I do not like this as a personal taste matter. But in Cheyenne, almost all entry level housing demand is for a front entry garage, with minimum 20 ft garage width (double). The Laramie Code provisions limiting the garage portion of the front facade have the effect of dictating homes on wider lots. Lot width is directly related to lot cost.
2. The Laramie Code provisions to limit the front protrusion of a garage have an understandable basis, and I tend to agree as a matter of my own taste. However, when the noted builder applied this provision to their basic entry level home, the inset of the garage required increasing the basic home size by about 200 sft. These people have extensive entry level experience, and a vigorous system of tracking costs, and adjusting their model designs. SO, I would tend to believe them when they tell me this provision added that amount to the costs.
3. 4-plex, 2-plex, or row housing construction is perceived as riskier, in both Cheyenne and Laramie. IN particular, the severe cost limitations of potential buyers bump into some higher cost of connected housing construction. Fire separation walls, fire sprinkler systems, appraisal reductions (which affect maximum sales prices), Certainly individuals have made this type of development work profitably, however the builders I have dealt with are quite careful about these projects. If they try one 4-plex, and it sells slowly, then they are quite careful about doing another one. With respect to Laramie's current zoning or code requirements, I do not think any given provision affects this financial calculation for a builder.
4. The "entry level" home that all Cheyenne builders provide is clearly established by the market demand of buyers. It has certain things I personally do not agree with. But in Cheyenne (and I suspect in Laramie) those potential buyers want:
  - A. Master bedroom suite with attached bathroom, and somewhat oversized closet.
  - B. (2) secondary bedrooms of about 120 sft, with closet, and a convenient full bathroom.
  - C. Great Room, or open layout floor that includes a kitchen, living area, and possibly a "eating nook". There is a lot of direct competition in trying to provide an upgrade kitchen appearance at least cost.
  - D. Attached garage, minimum double, with 3 part garages becoming very popular at present. The builders I know tend to prefer to add a little space to a garage, as it is fairly cheap per sq ft, and they perceive the garage as the item that "sells" to the male side of a potential homebuyer couple. IN particular with Laramie's code a 3 stall garage forces the home width to increase to the extent it is impossible to meet the "entry level" market.
  - E. Landscaping package, namely sod, perimeter graveled surfaces, backyard fence, sprinkler system, and a tree or two. 15 years back a few builders tried to sell entry level homes without landscaping. Since none of them now do that in Cheyenne, I conclude market demand has forced that change.
  - F. Minimum lot sizes: In particular after setbacks, these home essentially fill up almost all the buildable space on the lots. Laramie's zoning requires lot sizes that exceed the desired area for entry level homes. The Planned Unit Development provisions appear to allow smaller lots - but the fact is that multiple developers have explored that option, and due to the additional costs of the PUD process they appear to have always abandoned the idea (except for Richards Park which was done ? decades in the past?).

The Study did not pay any attention to the housing area that has become the default affordable housing alternative in the United States, namely "mobile homes", "travel trailers", "RVs", "smaller housing units than allowed by current code - i.e less than 500 sft".

Note Laramie mobile home development standards have the effect of preventing, or precluding any new mobile home parks. Those ordinances outlaw the installation of travel trailers or RVs - and for students that sort of housing can be a quite affordable option.

The older part of town, the tree area has a fair number of accessory housing units, or small homes or efficiency apartments - which seem to always stay occupied. So there is demand for those units. In particular, since I know personally of 5 non-conforming accessory units out of the R3 zoning district I must conclude the demand exceeds the distribution allowed by Laramie's code.

Condominium development seems to be slow in Laramie, and I think this is due to a perception by developers that they may have problems selling such units. I do not think any current code provisions affect this perspective. Every potential developer for such units in Laramie (and I suspect everywhere else) will complain about mandated parking provisions for such units, but in Laramie the land of drivers and cars I think the current City code provides about the proper count for required parking spaces.

Land or development costs are directly related to the width of new lots. Narrower lots will cost less to provide improvements for, and accordingly can sell for less. However, the current City limitations on percentage of unit frontage devoted to a garage directly forces lot widths to be wider, and lots to cost more.

In Cheyenne, where the market has played out on this matter, the last phases of a development on the east side of town forced units to be 30 ft wide as stand alone housing. This meant a builder had to have a 20' garage, then 10' house on the front. Effectively it caused the secondary bedrooms to be put into a 2nd floor. While those units have sold, I believe the relative slow rate of those sales is limiting the availability of such narrow stand alone lots in the future.

Also in Cheyenne, a developer who had previous success with large scale 4-plex and 2-plex developments attempted such a model just south of the interstate. There are and have been numerous issues pertaining to extension of utility lines to the property, which are not pertinent to this discussion. What is pertinent is the fact that at least a couple "demo" model 4-plex units were built. To that developer's surprise, and the builders' irritation, the units sold very slow. The appraisals, which dictate mortgage amounts and buyer limitations, came in lower than either party expected. At this time I think the large scale multi-unit development idea at this location (300+ lots) is on hold. This suggests there could be free market limitations on whether such developments are viable in Laramie.

Typical details pushed by developers or builders to "lower" costs for new housing are:

1. Narrowing road widths
2. Deleting sidewalks, and/or curb and gutter.
3. Deleting stormwater measures such as detention ponds.
4. Deleting minimum required hard surface parking spaces.
5. Waiving or not enforcing certain current code provisions such as residential sprinkler requirements, residential energy efficiency requirements, residential lateral load resistant framing details, minimum efficiency standards for plumbing or HVAC items, fencing limitations, appearance limitations such as outlawing certain exposed screw steel siding types.
6. Provisions relating to "delayed improvements" or parks.

IT is my personal opinion that all of these items, if applied will reduce the desirability of new Laramie housing, and provide "windfall" profits to people who don't need it. I have not seen a single project that did not ultimately proceed despite such requirements. Road width - perhaps in Laramie is a little wider than needed for a viable town - but this is an item that needs to be considered carefully. I have been quite irritated by getting invited to a Richards Park social affair only to discover we needed to walk 3 blocks because of the severely limited on street parking due to the narrow roads.

Sincerely Yours,

James W Johnson, PE

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