

NINA MOINI: Golden Valley is the latest twin city suburb considering zoning changes that could make it easier to build duplexes, triplexes, and other dense housing. The idea is gaining momentum across the metro as communities look for ways to increase the housing supply without building large apartment complexes. Laura Russ is a professor at the University of St. Thomas who studies housing and land use. She's here to help us understand the bigger picture. Welcome back to the program, Professor Russ.

LAURA RUSS: Thanks so much for having me.

NINA MOINI: Golden Valley, I understand, just conducted a study on what they're calling the missing middle in housing. And for people who don't know a lot about city planning or haven't heard that jargon, could you describe for us what exactly the missing middle means in housing?

LAURA RUSS: Yeah, it's essentially all the housing that fits in between single-family homes and large apartment buildings. So that includes duplexes, townhomes, what is known as accessory dwelling units or sometimes referred to as granny flats, along with small apartment buildings. And these types of housing tend to be older because they're the type of housing that was quite common decades ago and has become very difficult to build in more recent years.

NINA MOINI: Tell us a little bit, if you would, about the housing landscape of Golden Valley right now. Where are some of the pinch points in that market right now? And for folks who are not in the area or familiar with Golden Valley, do you feel it's representative of even more communities across the state?

LAURA RUSS: Yeah, I think Golden Valley is a good example of a mature suburb that was built out with a lot of single-family neighborhoods. And as the metro area has increased, we are looking for more ways to add to our population and also to just increase the capacity of the existing housing. So housing wears out over time, and we always have to continue to reinvest in it.

Golden Valley, also like many other particularly metro area cities, is facing some political pressure from the state to add more housing. And what's driving all of this really is the affordability conversation about how do we make housing more affordable. And the clearest path to making housing more affordable for the broadest range of people is to add more housing.

NINA MOINI: What's the difference, though? Why not just build big apartment buildings? Is that an aesthetic concern? Why the duplexes and the triplexes?

LAURA RUSS: Right. Really, it's about adding choice and variety to existing neighborhoods. There are a number of ways that cities can add housing. As you mentioned, in recent years, the emphasis has been more on the large apartment buildings, really, because those have been more financially feasible to build that scale.

But the smaller buildings and the duplexes and even maybe converting a single-family home to a single family with a rental unit, adding a kitchen, adding an addition, those are the kinds of housing types that, over time and incrementally, make a big difference in what's available for the housing stock. That, coupled with concerns by neighbors about maintaining the character of neighborhoods, not overwhelming the infrastructure of the city, policymakers have to take all of those components into account as they think about balancing the wishes of existing homeowners and existing residents with what future residents may need and want and be able to afford.

NINA MOINI: Yeah, tell us a little bit more about the arguments against changing these zoning laws and restrictions.

LAURA RUSS: Yeah, I think we heard in some of the public testimony that the concerns are what we would expect to hear. When public policy literally lands on the doorstep of people, they have questions, and they want to learn more. And Golden Valley, like many other cities, seems to be taking a fairly measured and slow approach to thinking about how to make those kinds of changes.

Generally, we hear residents talk about things like demand on schools, parking, impact on the environment, particularly tree canopy. And those are all important points, but again, there's a balance between maintaining existing communities as they are and reinvesting in a city so that it can continue to be a welcoming place to new residents and, frankly, allow more housing choices for the existing residents who may not want to live in a single-family home or move to a large apartment building for their entire tenure in that city.

NINA MOINI: And could you tell us more, Professor, about how these changes are effective or how they actually lead to more affordable housing? Because I've seen some duplexes and triplexes built that are not the most affordable, and you're like, whoa, might as well be in a single-family home. How does that actually lead to affordability?

LAURA RUSS: Yeah, that's an important point because when we're talking about affordability, what's important to distinguish is between impact on an individual home or unit of housing and impact more in the aggregate or looking at it as a whole. So one for one, it's usually true. If you do replace a single-family home with a new one or even, in some cases, with duplexes or even a small apartment building, because that is a brand-new building likely with new amenities, likely with new materials that may be more expensive, that home in and of itself may not be less expensive than the home it replaced.

At the same time, we know when we add more density, when we add more housing in the aggregate and over time, that eases pressure on the housing market and allows overall affordability to increase. That does not mean that every resident will be able to afford an individual home, and there will always be residents, because of low income, that may not qualify without assistance, without government subsidies for any housing in that area, which is why it's important that cities and states take a holistic and multi-pronged approach. This is just one element of that.

One other point for cities that I think has just recently become more important is the issue of their tax base. More dense housing is going to be more productive from a tax base standpoint. And I was on your program a couple of weeks ago. We were talking about the declining commercial tax base and how that burden may start to shift onto single-family homeowners. Well, this is one way to broaden that tax base to use that land more efficiently for purposes of property tax revenue.

NINA MOINI: Minneapolis eliminated single-family-only zoning some years ago. What have researchers learned from that experience, or are there lessons that suburbs should keep in mind?

LAURA RUSS: Yeah, I think Minneapolis really was on the forefront and has learned a lot that has really been shared nationally. One of those-- and depending on where you sit on the issue, maybe a pro or a con, but it's had a pretty minor impact on the development of housing. Now, if you were concerned that it might mean that homes all around you were going to be torn down and replaced with much denser housing, that may be a relief. If you're a policy maker that wanted that to produce more, you're looking at what are the reasons it didn't produce more, and there are many.

Some have to do with the need to also update the building code and other parallel municipal policies that either make building possible or not. Some have to do with things largely out of city's control, such as interest rates and the economics of building. But what we've learned when you're talking about trying to make markets more predictable for people that may be considering investing in that area is that cities sending signals and trying to make more predictive playing fields for owners or developers to invest in is an important first step to bringing in that broader mix of housing types.

NINA MOINI: And if a zoning plan like this is changed, we know things can move pretty slowly at the city level sometimes. How long do you think the community has until they start seeing those different types of duplexes, triplexes, different kinds of housing being built in Golden Valley?

LAURA RUSS: Yeah, it for sure is a slow process. And I think the city is being realistic about that. Again, depending where you sit, that can be a pro or a con. Some may say, why bother doing this if it's really only going to result in very slow, incremental change over time?

But it is important that cities prepare for this type of path for new housing, in part because rules, whether they're state or federal, are always changing as well. So, for example, there was a recent federal housing bill that just passed that is going to have very significant impacts for cities in terms of incentivizing them through different types of federal grants to build more housing and to ease zoning restrictions. So by taking these kinds of incremental steps, cities set themselves better up for how to respond to other policy changes.

NINA MOINI: All right. Thank you so much for coming back on the show, Laura. We appreciate your expertise.

LAURA RUSS: Thanks so much. Take care.

NINA MOINI: That was Laura Russ, housing and land use expert at the University of St. Thomas.