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**Location, location, location: real estate choices help California meet climate goals
and grow local economies**

With infill housing, state can reduce emissions, boost economy & benefit residents

SAN FRANCISCO — Building the right kind of housing in the right places can help California meet its 2030 climate goals while growing the economy, according to a new report from the nonpartisan, nonprofit group [Next 10. *Right Type, Right Place: Assessing the Environmental and Economic Impacts of Infill Residential Development through 2030*](#) finds that encouraging new housing development in infill areas would spur economic growth, reduce monthly household costs, and cut greenhouse gas emissions, keeping the state on track to achieving its climate goals.

“When deciding where to build new homes, infill housing is the smart choice, economically and environmentally,” said F. Noel Perry, businessman and founder of Next 10. “As our state works to address its housing shortage, keep its economy growing, and meet its climate targets, we should remember that where people live can be part of the solution to these challenges.”

Right Type, Right Place is the first academic, comprehensive evaluation of the potential economic and environmental impacts of infill housing development — compact housing in already urbanized land near transit, jobs and services — on California’s 2030 climate goals under SB 32 (Pavley). Next 10 commissioned the Center for Law, Energy and the Environment (CLEE) at UC Berkeley School of Law and the Turner Center for Housing Innovation at UC Berkeley to conduct the analysis and write the report.

The study models three different scenarios for California’s housing future through 2030: business as usual, where development follows the same patterns it did from 2000 to 2015; a “medium” infill scenario, featuring much more infill housing and more multifamily housing; and an infill “target” scenario where all new housing development happens in infill areas, which also features more multifamily housing than the business-as-usual scenario.

While the business-as-usual scenario results in more car-dependent housing farther away from jobs and schools, the infill target scenario meets the same demand, spurring economic growth with a much smaller carbon footprint. Target scenario benefits include:

- annual economic growth that’s over \$800 million higher than business-as-usual; and
- annual reductions of 1.79 million metric tons of greenhouse gas emissions, which is the equivalent of taking 378,000 cars off the road.

Those are the “macro” benefits. For residents, those living in infill areas would drive about 18 fewer miles per weekday than those in non-infill areas. That’s 90 fewer miles every week. The target scenario also provides more housing that meets the growing demand for compact, walkable neighborhoods, and results in lower monthly costs from reduced driving and lower utility

bills, which balance out the slightly higher rents and mortgage payments required in the target scenario. Add it all up, and the study found renters would save, on average, \$312 annually, while homeowners would save \$156.

“By encouraging housing near jobs, services and transit, along with savings on household energy use, the state can grow its economy and eliminate almost 1.8 million metric tons of greenhouse gas emissions per year,” said Ethan Elkind, director of the climate program at the Center for Law, Energy and the Environment at UC Berkeley’s School of Law. “That’s the equivalent of avoiding emissions from 378,100 passenger vehicles annually.”

But the infill scenario isn’t possible without policy change, at both state and local levels. As California lawmakers consider [over 130 bills](#) written to address the state’s housing crisis, the report provides several recommendations for policymakers to consider, such as reducing barriers and increasing incentives for regions that generate infill housing, creating anti-displacement policies to protect affordable housing, and directing more funds towards public transit.

“Where people live is a crucial part of California’s sustainability conversation,” said Carol Galante, faculty director at the Turner Center for Housing Innovation. “More housing in compact, walkable communities can significantly enhance residents’ quality of life, boost local economies, and make a real dent in reducing emissions. But it won’t happen without the right mix of policies to facilitate this type of development.”

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About Next 10

[Next 10](#) is an independent, nonprofit, nonpartisan organization that educates, engages and empowers Californians to improve the state’s future. With a focus on the intersection of the economy, the environment and quality of life, Next 10 employs research from leading experts on complex state issues and creates a portfolio of nonpartisan educational materials to foster a deeper understanding of the critical issues affecting our state.

About The Center for Law, Energy & the Environment (CLEE)

The Center for Law, Energy & the Environment at UC Berkeley School of Law channels the expertise of the university community into pragmatic law and policy solutions to pressing environmental and energy issues. The center’s current initiatives focus on climate change, sustainable land use, healthy oceans and clean water for California’s future.

About The Turner Center for Housing Innovation

The Turner Center for Housing Innovation, a collaboration between the UC Berkeley College of Environmental Design and the Fisher Center for Real Estate and Urban Economics at the Haas School of Business at UC Berkeley, leverages applied research and best practices to inform and advance innovation in the planning, financing, design and development of the built environment. The Center’s mission is to formulate bold strategies to house families from all walks of life in vibrant, sustainable and affordable homes and communities.