Geoff: Hello, and welcome to the Inequality Podcast. I'm Geoff Wodtke. Today, we have with us Daniel Aldana Cohen, who is currently an assistant professor of sociology at UC Berkeley, where he also serves as director of the socio-spatial climate collaborative and an affiliated faculty member in Berkeley's political economy program. Daniel studies the intersection of climate change, housing, and social inequality in the US and Brazil. Daniel, thanks so much for joining us.

Daniel: Oh, thank you so much for having me, Geoff. It's an honor to be on the Inequality Podcast.

Geoff: We're living in a moment where lots of different policies are being implemented in an effort to achieve the so-called green transition or a shift towards a more sustainable form of economic growth that's not based on fossil fuels. I wonder if you can just tell us a little bit about how the current portfolio of climate policies, maybe particularly in urban areas, are linked with housing inequality and the crisis of affordable housing.

Daniel: So on the one hand, we have this horrifying climate emergency, and it is getting worse and worse. And of course, where it lands is where people live. I mean, I think the home ideally is a place to take shelter, but even there, often we find that homes are in flood zones or at risk from hurricanes or lack the equipment to handle a heat wave, among other possible disasters. Another issue that's probably worth bringing up is that often homes are not as close to where one works, where one gets services, as a person might want. It might be a long commute to get your kid to childcare. It might be a long commute to get to work, increasingly painful for many reasons, which of course drives even longer commutes, often by car, especially as transit systems suffer after COVID. And this then exacerbates climate change even more. So there's this whole set of issues, and we could go on and on and on, and as we know, we're in a massive housing crisis of affordability. Then there are the ways that they really intersect in the home and I'm interested, especially in these economic intersections. So, for example, about a quarter of American households cannot afford their utility bills. That's according to the Residential Energy Consumption Survey. Well, that means that in the last year, you either had a utility disconnect notice and/or you sacrificed on essentials to pay your utility bills like medication and/or you kept your home at an unsafe temperature. About half of Black and Latino families experienced this condition. A study in Chicago, where we are from a few years ago, found that utility bills were the number one reason that people took out payday loans. So this is really a kind of converging set of crises. It's about the weather, but it's also about energy and affordability fundamentally the third reason, by the way, people take up payday loans is to cover rent. And so one of the biggest ways in which climate policy can go wrong when it comes to housing and inequality. One of them is when investments or mechanisms

to generate money for upgrading homes to tackle climate change, so to get rid of fossil fuels maybe put it in an electric induction stove or heat pumps instead of a gas furnace, and then maybe sometimes other additional upgrades maybe solar panel on the roof, battery in the basement. If you have a house rather than an apartment. So those kinds of upgrades can bring the same dynamics as the dynamics that bring gentrification. So basically, if you put money into a home, what does that do? What if it increases the land value now? If you're a homeowner, that's generally good for you. There are cases, for example, in Buffalo, where activists are telling me that you have blocks of low-income black homeowners were one or two gets a kind of green retrofit package. The realtor is kind of notice and suddenly the whole block might turn over who are really vulnerable, I think most often are renters. Renters pay the bills; they don't own the property, so who then pays for the green upgrade of the unit and if the landlord ends up paying for it. If the landlord is subsidized to pay for it. The only reason they're going to go through that trouble, even if it's paid for by some program, is if they think they can charge more in rent. And so all around the U.S., there are folks and organizations of tenants. Who were hearing that those tenants are worried about programs that would come and improve their apartments. They worry that they're not going to get to live in the apartment once it's been upgraded, and that and let me say that is a very reasonable concern for a lot of different reasons. We have this crisis of housing inequality. We have this climate emergency. All these policy demands surge in response to it. And I've just kind of started to scratch the surface of how the crises of climate inequality can actually compound if we're not very careful. But policy, and in some cases, this is going to require, I would argue, a pretty radical overhaul of how we do housing politics in general.

Geoff: You mentioned that sometimes green investments can increase housing values, and this can have spillover effects for the whole neighborhood, increasing property values, generally rents by extension, and lead to this kind of form of climate investment gentrification. And so I'm curious to hear what you think about our sort of current portfolio of affordable housing policies and the promise that they hold for potentially mitigating these sort of negative side effects of green investment in cities or their potential pitfalls or limitations in this regard. So here I'm thinking about you know the low-income housing tax credits, which subsidized developers in exchange for them reserving a portion of units for low-income households that are rent restricted, and then also the Section 8 voucher program, which subsidizes renters, directly low-income renters, to help them secure housing in the private market at a more affordable expense to themselves. So are those going to help, or are they just not enough to offset the potential climate gentrification that comes from this current wave of green policy?

Daniel: I talked a little bit about what happens when you invest in

buildings. Now, what we've got to add is another potential issue, which is investments basically in neighborhoods, whether that is in the form of building new, greater density, so building you apartment buildings. Often new development is associated with increased property values and displacement that might be somewhat mitigated by supply kind of gets a bit complicated. Building new public transit infrastructure in neighborhoods that are kind of on the edge of gentrification can often cause more gentrification. Adding new green amenities like parks has been shown in many cases to add land value and then to cause displacement, or if not displacement, sometimes from the neighborhood overcrowding as people can't afford to live in their own neighborhood apartments, they move into somebody else's. Some say, oh, then there's no displacement, well, okay, if we're creating tenament conditions, then I think that's pretty bad. So we have all these problems, and then the danger is that we get into this policy mindset of, well, it's about trade-offs, and so you have a slider and on one end of the slider is climate action and on the other end of the slider is housing affordability, and then you're sort of positioned as in, well where am I going to put that slider. How am I going to balance these competing objectives? And what I want to argue is that with good policy, you actually get the right to give them both, but you have to have good, serious, ambitious policy. I think we can learn a lot from the work on displacement and gentrification in general here. Some that comes out of work by Jackie Hwang, who's a sociologist at Stanford. She's done some of the most sophisticated research on displacement and gentrification, and has shown in particular that in a context of neighborhood churn, processes of gentrification are especially associated with lower-income black residents moving out and moving into other neighborhoods where they wouldn't ideally want to live. So this is a real problem and she's teamed up recently with Karen Chapple who runs the Urban Displacement Project at Berkeley and also runs the city center at the University of Toronto and their research shows that, yes, certain kinds of development is associated with displacement. One thing that mitigates that displacement is rent control, and that's very important in cases where you have limits on how much the rent can go up that are legislated. Then that means that even if land values go up, because if you've greened the neighborhood or you're building, additional units for more density or public transit, the landlord can't then pass on that sort of increase in value as rent. So, rent control is very, very powerful, and sometimes you think of rent control is this like radical thing in New York City, half of the rental units are rent stabilized, which is effectively rent control, in addition to almost 200,000 units of public housing. So actually, in quite a few big dense American cities you have a certain amount of rent control, but Chapple and Hwang show that rent control isn't enough; it's not enough to put a cap on the amount of rent that landlords can charge to mitigate or to prevent displacement. You also need new supply. There is not enough housing in the United States for the people who live here, and if we are going to be remotely responsible and take in millions and millions of climate

migrantsm and once we recognize that there will be millions and millions of internal climate migrants throughout the United States, as flooding moves people from the coast and you have a bunch of other areas with very sensitive ecologies; I mean that's basically baked in at this point, so you have millions and millions of millions of people moving around. Where are folks going to live I don't think it's viable for progressives to say, well, they're all just going to take over the condos of the super rich that they're not living it I mean, I think that would be great, but that's not going to work for millions and millions of people. So the new supply that Chapple and Hwang talk about is this idea of social housing, which is not quite the same as the public housing tradition in the United States, but broadly refers to a kind of umbrella of different models of providing housing the sheltered from the real estate market. That can be a land trust, that can be a cooperative housing, that can be public rental housing. How well do the current programs work? Can we use programs like the local housing tax credit to essentially generate social housing? And there I would say the news is okay, but not great. Since the late 1980s, under Reagan, we now instead of building public housing, built low-income housing tax credit housing. It's a very convoluted system. Essentially, developers need to get banks to take up the tax credits. There's a huge amount of bureaucracy that goes into it. The number of units built per dollar spent has been going down and down for years and years and years. It's not clear that this housing has done much to reduce segregation; some have found that it concentrates it, so it's quite limited. We have the Section 8 voucher program, which is quite interesting. There, basically, a tenant gets a voucher, and then they pay 30% of their income in rent, and then the government essentially covers the rest, that can be interesting. I don't know all the details because it's quite complex, but sometimes utility payments can be bundled in; that's kind of ideal because that way you don't have this exposure to varying utility costs. But something in the neighborhood of a fifth to a quarter of eligible households even get these vouchers. Many landlords, although they're legally obliged except them, don't, so it's not clear that the Section 8 voucher program fights segregation either. Neither of these two programs kind of compares to best-in-class social housing production programs that you see in Europe, and we can talk about different examples, but Vienna stands out in particular. So I think what I would say is there are some bones in the U.S. that you could build on for the social housing, but most of us who are really thinking about producing new affordable housing at scale and equality in a way that fights astigmatization, fights segregation, promotes social mixture, I think most of us would like to go to new models that we know work well elsewhere, but are not the current favorite models in the United States. So I think that if you can basically, to summarize, if you can use policy to limit rent increases, and if you can use policy to generate new housing that is sheltered from real estate speculation but with really high lasting quality. Then you can really put climate action and housing justice kind of together, and that's kind of what I would propose, and I would

make the case that, generally speaking, if you try to have aggressive climate policies that cause a huge damage. The cause a huge backlash because they exacerbate inequality that's not actually pragmatism; you go down that end of the slider, and you just end up in a political quagmire, so I'm not sure I would even bother going too far down that road.

Geoff: Can you say a bit more about how this new era of social housing would look different from, say like urban renewal of the 50s and 60s, and the pitfalls that came with that, which we now know led to increasing concentration of poverty and greater racial segregation. How will sort of green social housing look different from our forays into public housing in the past? Could you talk a little bit more about the examples elsewhere in the world where they're doing this and it seems to be working much better than we have examples of here from our own history?

Daniel: It's interesting because the climate emergency really focuses the mind, and then you like carbon, solar, wind, batteries, maybe even green hydrogen, you get into this, but it's actually not possible to separate climate from these really tangled policy histories, including things like the tangled history of housing, so although we're getting into it, I just think that's one of the challenges of the climate emergency is it's so much more than just replacing coal plants with solar plants as we've been talking about. So let's get into this housing history. I would actually take us back to the New Deal, and I'm going to give a kind of a very brief potted story that comes from really great work by Gail Radford called Modern Housing for America, a book with the basic idea that in the United States during the new deal in the 1930s when you had a relatively progressive government there was an opening to do housing policy differently and a kind of. The feminist labor coalition set up by Catherine Bauer who would visit it interesting housing projects in Europe what they argued was we should have what they called then modern housing and that housing should be a public option for poor people, for the working class, and for the middle class multi-income, multi-class housing built at high quality by the public sector union-built to the highest quality and standards of design. And the idea was that the public sector would do a better job of that than the private sector, which would be much more obsessed with extracting profit. The Public Works Administration, which was the New Deal's major infrastructure program, was also very excited about this model of housing. Now, what happened is that the real estate industry was not excited; the real estate industry was not actually worried about poor Americans who would be stranded in this terrible quality government housing. They were worried that good quality government housing would edge them out of a substantial part of the market. They did not want that, so they basically campaigned for and won two major principles of American public housing, which said okay you can have public housing, but you can only be for the poorest of the poor. It has to be income restricted; otherwise, it will compete

with us, and they said you have to restrict how much the federal government is allowed to spend per unit of housing. Otherwise, the housing will be of such good quality that everyone is going to want a piece of that, and they were successful through starting with the 1937 Housing Act through the early 1940s part of why that worked is because. Franklin Delano Roosevelt, FDR, the president, although was well known as a liberal, he was actually quite skiddish about deficit spending, and so he became excited about the mortgage, basically subsidizing mortgages as a cheaper way for the federal government to produce housing and that of course then turns into the story on redlining, so Radford chose us, Gail Radford, the historian, as taht you basically get a two tier public housing system one is the hidden public housing system which is public subsidy of mortgages, an enormous amount of subsidy, and then we get redlining, suburbanization the whole story that's quite familiar. And then the other story is a public housing system that is set up to fail from the start by the real estate industry, so the characteristics of American public housing, which is always kind of underfunded, only for a subset of the population, not able to expand and bring other groups to be able together; that is not the characteristic of what the public fundamentally wanted. The Public Works Administration wanted this other model the European social housing model and also the Labor Housing Association model. But a lot of the biggest problems in American public housing come out of the victory of the real estate industry against housing reformers during the New Deal, and I think that is so important to pair that story with the story of redlining, because that's what happened and has really important implications. Now, if you go to Vienna, which is the global capital of social housing where something like 40% of the population lives in social housing, give or take. That is, the city in the world with probably the most social housing. The economist for Times has said over the last five years that it's the best city in the world to live in, has extraordinary housing. That housing is multi-income; that means you have people living on a social security check, living next door to a doctor. The housing is financed, so that the maintenance is built in, so you don't have the kind of disrepair you have in American housing. Since the start of this model in the 1920s, they built housing in every single district of the city, so in Vienna, the richest urban district, the per capita income is about 30% higher than the poorest district. Which is insane, I mean, in the US it must be four or five, six times ratio within a city like Chicago or New York City. Vienna is not a city without inequality. People with migrant backgrounds don't get into the new social housing nearly as much as they should, especially the new kind of public-private social housing, so there are real problems, but overall, I mean it is vastly more successful than US cities in terms of mitigating income inequality, provides really good quality housing, has been a site of environmental innovation for decades in its in its governance, is paired with rent control, and Vienna's housing there are other European cities where they had good social housing and privatized a bunch of it. Vienna's rents are far

more affordable than those other European citie. So there is this other model, which does work really well. It is actually the model that feminist and labor union folks in the United States and their allies in government wanted to build in the 1930s, and that is now basically the model that social housing activists are advocating. There's a bit more nuance now in the social housing movement in the US. You say well we want it to be a mix of public rental, so similar to public housing. But we also would have limited equity cooperatives with ownership or community land trust which is a mix of rental and ownership. The land underneath is not on the private market, so you have this kind of interesting mix of models. What they have in common is that they protect people from real estate speculation. They provide long term security, and they're about kind of integrated the first communities rather than just kind of like blocks of population separated from each other, and this sounds so utopian and so outside the realm of possibilities, but we just had a green social housing bill introduced in New York state like a week ago. We have a sort of a version of this model in Montgomery County, Maryland, which has been written up in the New York Times. We have a bill in California, a social housing study bill along these principles that passed in California. We've got an effort in Hawaii, we've got an effort in Providence, Rhode Island. We've got a lot of campaigns and a whole bunch of other places. Kansas City, Lansing, Michigan, so this is really something that's kind of taken off. The upshots for climate are quite significant. This social emphasis with public funding could allow for really interesting innovations in green building construction. In fact, the US is some say, two or three decades behind Europe slightly because Europe invests through their social housing in green building technology. It would, of course, mitigate this problem of displacement, which will offer much more green investment in communities and folks to do well, so I think this is pretty exciting. I don't think you can handle the entire climate transition on social housing, but I do think this is one of these exciting pillars, and I think in the years ahead folks are going to be surprised at just how much momentum is behind this idea in terms of like grassroots organizing and shifts in the policy community.

Geoff: I think my economist colleagues at the Stone Center here would be frustrated with me if I did not pose the question of rent control. It's good for the people who are currently renting, right? It has short-term benefits in terms of housing affordability, but I think that there's a fair bit of research coming out of economics that, in the long term it suppresses supply, at least privately generated supply. And it sounds like your proposal is to basically offset the supply effects of rent control with public investment. What would the potential consequences of that be for the private housing market? Are there potentially unseen or unanticipated consequences in the private housing market that might mitigate some of the benefits that would come from rent control paired with renewed public investment in social housing?

Daniel: This is a great question, so it's kind of two parts here, like one is if you use rent control, which I'm strongly in favor of. To me it’s a cornerstone climate policy that enables communities to embrace green investment. And let me just say by the way, like in cities like New York City most of the neighborhoods with the most powerful consequential environmental justice movements are the neighborhoods that are some of the most famous flashpoints of gentrification. So you have a community of color basically, Harlem, Sunset Park, South Bronx, South Williamsburg, where people mobilize for decades to get their neighborhood kind of cleaned up. And when they finally do, in swoops the real estate industry and the city zones them up, and next thing you know, I mean, it's crazy, like it's pretty hard to find a major environmental justice organization in New York City that isn't in any neighborhood that's now going through insane gentrification. So I've argued we should use rent control. That's how we're going to protect, make sure that the folks in those neighborhoods can say there's also other compensatory policies we could talk about that are much more complex but that basically involve making sure that property tax increases don't penalize low income homeowners just for low-income homeowners equal is the same equally important. But if there's rent control, why do I Joe real estate investor or Jane real estate investor invest all this money in this building if the rent cannot and definitely go up? I'm not an economist, but my friend Mark Paul is. He's at Rutgers now at the public policy school. And he tells me, and I have read his memos that there's actually quite a bit of a dispute in the economics profession, and right now the empirical studies are much more mixed or there are questions about supply logically sure but there it's it's a little bit tricky, because one you can exempt new buildings or you can put new buildings on a kind of schedule, okay, up to max 5% or you can link rent control to inflation. So you can make it so that the new buildings are not screwed. The other thing is that you know the US has something in the neighborhood of 150 to 170 million housing units right now, and builds about a million a year, that's less than 1%. So the supply question is important, and I've argued that we need new supply and should build more, but it's not like you know it's kind of trivial to protect the people who live in their current homes. So again new building is important; that's one reason why we have to actually upgrade homes people say well what about put people in new homes okay well again, rebuild 1% of our housing supply less every year. So new supply is not going to solve every problem. But you're right I have also argued that we should use social housing essentially to ensure that you have that supply instead of allowing on the private sector. I'd add a couple of other things. What's really interesting, I think about the Viennese model, is that in Vienna, what they've done is they've essentially taken most real estate, instead of being a super high risk, high reward economy, it's a more boring economy. Most Viennese social housing now is built by the private sector, but it has that's called the low-profit housing association. So this is an Austrian law, and there's a limit of 3.5%

is the most profit that can be earned year in year out by a private housing developer in the social housing system. In addition to that, they have to reinvest all those profits in new housing or repairs, and so basically the way I think of it is they're basically turning housing into more like the planned economy, then the kind of real estate bubble economy. And I think that's what I'm kind of talking about here, it's like right now half of the world's wealth is held in housing, so this is going to be kind of a problem if you try to take on a housing bubble. But arguably, in this age of climate change, when housing is our shelter against a massive ecological breakdown, in the best case scenario, still quite intense maybe housing should be a different kind of economic sector it doesn't mean that there's no private at all. Certainly, even if you build public housing, you're privately contracting doors, windows, etc. So there's a lot of private activity, but maybe that it's a different segment of the economy, maybe it's more regular, it's highly regulated, it's more predictable, and so then if you think from the point of view of an investment portfolio, it looks more like a bond than it does like a Tesla stock. It could boom and could bust, so it's a lower risk, more stable sector of the economy. I think that's a pretty strong argument, obviously varieties of that argument are made by kind of central left Keynesians all the time, and many capitalists don't agree with that argument. You have economists who think that's a great idea, and you have economists who think it's not. Some of it may be depending on how important you think the animal spirits are and entrepreneurialism to generating social change versus like wise institutional pathways. So I don't know, I think that's kind of tough, and I think at the end of the day there are reasonably good arguments on all sides except that I don't think the economist argument against rent control leads to any kind of solution for the underlying problems so I would probably rather risk imitating the model of the best city in the world to live in then something else. And I would note that if there is one lockable city in the United States It's probably New York City, and little known fact that half its rental housing is already rent stabilized. I think people forget that, and that's actually what makes New York livable in the first place.

Geoff: You sort of hinted at this when mentioning sort of like Keynesian arguments from the past, but it strikes me we've been talking about how Green housing investment, social housing can sort of mitigate the affordable housing crisis and by extension inequality. I mean it also strikes me that, like you were saying, if this cultivates kind of a stable and relatively more equitable sector of the economy, say with higher levels of union employment, better wages, that there's also this potential secondary side effect on wages and income inequality that could potentially be more equalizing or more equalizing than our current economy is now. So is that sort of like a secondary route through which this could conceivably promote greater equality?

Daniel: Yeah, I think that's right when you look at sectors of the US economy that are kind of primed for the green transition and where you get a lot of action. It's where you have this sort of alignment of interest groups. So if you look at the Inflation Reduction Act which Biden passed there's so much money for green cars or electric vehicles and and then you think, well look at the coalition I mean you have a huge auto making industry; a bunch of that is American, and then you have the United auto workers, and then those factories a lot of them are located in the industrial Midwest Which is a base of democratic party support and then other ones are located in the south. Which Democrats hope to make their base. And so is it really a surprise that it gets all this investment? Now, housing, on the other hand, doesn't quite look like that because right now, as you're kind of alluding to, you don't have like a major unit sector building homes that are really popular, the people live in, etc. And build back better the original Biden bill there was a huge amount of money for housing, but I would argue that there wasn't a strong enough coalition around it. It wasn't an integrated, cohesive enough sector to kind of bully its way into the final package. Whereas with energy, it's a bit of a different story, and in particular, electric vehicles. And then if you look, for example, public transit, where you don't really have that properly set up political ecology coalition yet, it gets totally off that of the Inflation Reduction Act, even though from a carbon point of view, it's just as important to electric cars. So I think you're really hitting on something, and if you look at European examples, the labor unions are really central supporters. If you look back again to the New Deal example, it’s talking about the labor housing association. The original intuition was you know, you kind of need to cut labor, and so I think that's right, and a lot of the communities in which you would build social housing our communities where folks don't have great jobs currently, and the green building sector would be huge. And so the acronym I've come up with here, and please forgive me if it's a bit goofy, is the social housing green industrial revolution SHGIR, Green SHGIR. It's repeating the word green. But that's the idea, and so you talked about the labor piece, and then I would argue there's this like industrial policy benefit of like, why doesn't the United States make cheap, affordable triple-pane windows? Well, that's because we don't have what the Europe has, which is called the energy sprung where they use the whole European industrial development strategy, which includes investing in affordable housing upgrades and new construction as a way to stimulate the green building economy in general. So the other coalition partner, I think, here is construction. When we start talking about things like low carbon cement, which they are using in Paris on social housing, that would really benefit from more public procurement here. This kind of circle backs on— I'm sort of giving this utopian vision, but I think there are some in-between policies that I want to highlight here. You know, we talked a bit about Section 8. There is a thing in the United States called Project-Based Section 8, which is essentially a version of the Section 8 program but where the Section 8 voucher, which limits rent to 30% of income, which

instead of being tied to the individual, is tied to the building unit to the room. And that can be aggregated in kind of flexible ways in mixed income housing I would think a lot of folks I know in housing policy would like to see more of the money into the Section 8 program go into the buildings rather than into the tenant, because when you give the voucher to a person, they face all this discrimination from landlords. Well, if you just put the voucher into a building project from the beginning, you kind of alleviate that problem and actually you've had really interesting green upgrades super successful two Project-Based Section 8 projects, for example, Castle Square in Boston. This was funded under the Obama administration and is really a great success story of kind of retrofitting affordable housing. That wouldn't be my first choice, but that is an interesting potential avenue to explore. When it comes to retrofits, what you're seeing around the country is different policies that are a sort of patchwork version of rent control. It's not rent control but you're seeing this- I'm not sure the exact status, this is being developed by Michelle Wu in Boston. She ran on a Green New Deal for Boston, and basically, they're trying to figure out, okay, we give grants to landlords, they have to agree to something like two, three, maybe five years of rent freeze or rent or restricted rent raises in exchange for funding to do an upgrade. And in Pennsylvania, you have a policy called Whole-Home Repairs, a bipartisan policy, but it was passed by a democratic socialist state senator, and Nikil Saval got elected in downtown Philadelphia, and that is basically saying, okay, most low-income homeowners are more likely than tenants, they live in buildings that are so dilapidated you can't even do a green retrofit. The roof isn't in shape to get a solar panel, or the electrical paneling isn't good enough to get a heat pump, and so they put up to $50,000 in pre-electrification repair into the unit, and there's a great governance kind of streamlining which is awesome. And then those units can then get access to utility programs, federal programs, state programs ,etc. And in exchange, when it comes to rental, there's like a three-year rent freeze built-in. That was kind of negotiated with the housing movements. So you can get those same principles of like protecting folks from renting creases and still moving serious money to upgrading their units even in the current policy context. That does take a little bit of work. I don't think it's as good or systematic as what we want, but we can, there's not just a kind of like giant switch between the current order and then a Brave New World that you can do all at once, but there is this kind of incremental work that we're talking about. Climate change is kind of a big scale issue, though, so I do think we need to scale up. We can't we can't be satisfied just with this partial stuff, but we can learn from it.

Geoff: So, setting aside the question of political viability at our current moment, if green housing policies along the lines we've discussed were implemented, how, and I think more importantly, when will we know if they're working as intended, both for combating inequality but also carbon emissions and climate change? How would we

be able to tell if they're veering off course? Suppose these policies are implemented three, five years down the road, a graduate student comes into your office and is interested in studying the effects of equitable climate and housing policy. What would you tell them to do? How would they go about that?

Daniel: I think in a sort of super crude quantitative sense There's data that's being collected. I mean it, I think for these policies what a success would look like, people move around all the time, so the goal is not to end that, we want to show that there is not a relationship between population churn moving around and major changes in the composition of neighborhoods. So if you find that people of color and low-income people are all leaving cities with green policies and are ending up in sprawling suburbs in homes that they can't afford to heat, if you can register that and look at the change of population sector, you know it's not working, right? If you know that migrants from the US or from other countries have nowhere to live, you know that's not so there's all these ways we can track I think movement and see that whether there's like a social displacement fingerprint there or if it's just people moving around as they do. The other pieces are that you should see pretty rapid reductions A in carbon pollution and B in energy use. One of the big prizes here is not just switching from fossil to electric But the energy efficiency gains in that process and that's really important because fewer energy we use, the fewer solar panels we have to deploy which is a matter of global justice, because if the entire world can produce extra number of solar panels every year should the u.s really be using all of them for the support them as like extravagant energy efficiency. We want to make sure that Mexico, Brazil, Peru, and Turkey, etc., can afford solar panels on the global market. I want to note that a few years ago, and this may have changed, but a few years ago, I tried to measure one of these issues. I said okay all these cities are reporting lower carbon footprints. Is this a result of city policy or not? And most of the cities' carbon footprint reports that I found had a number for buildings, but they didn't break down the energy that went into the buildings from a power plant and the energy used in buildings on site. Now, in terms of carbon footprints, it's generally about half and half, so if you're burning gas and you're building that's one thing, and if you're importing electricity from a power plant that's another. So all these cities were showing carbon emissions reductions, and everybody's been going around saying cities are doing a great job cutting their carbon footprints. It seems that what's really happening is that the US electric grid is just getting greener from solar wind and replacing coal with gas. And so it's quite likely that most cities' building emissions reductions are surely a matter of the electric grid, and have nothing to do with building energy efficiency programs. So if we're going to look at the city scale, we are going to have to start breaking that down because that makes a really big difference. You can't take credit for the changing power sector in your housing. So generally, housing is in the neighborhood of 15% of U.S. emissions.

It's a little bit more than commercial buildings added together. So, the 15%-16%. It's a little bit under 40%, and like I said, about half of that is on-site building, half that is grid. So maybe that's sort of like 7% of on site, you really want to just wipe out with electrification, and then you want to reduce emissions from the grid, not just from the grid changing, but also energy efficiency. So you also want to reduce the amount of energy used per unit of housing. So, all that I think should be achievable. How fast is it? Well, it essentially depends on deployment, so if you replace a gas furnace with an electric heat pump, then that single building is going to demolish its carbon footprint. At the level of the neighborhood, it might take a little bit of time, so I'm not quite sure how fast you could go, but you know, it's going to depend. On the last thing, I'll just say, how do you know you're winning? Let's come back to politics. The most aggressive low-carbon buildings built in the United States was passed in New York City in 2019, and it was passed for one major reason, and that is Housing-oriented movements obsessed with inequality got involved. And basically, what they did is they took a bill proposed in 2009 by Mayor Michael Bloomberg to kind of force large building owners to reduce their energy use, but it didn't get anywhere. It didn't even get a vote on the city council. 10 years later, that bill gets reintroduced with a bunch of technical fixes, but this time it protects residents from rent-stabilized housing half of all rental units, protects them from rent increases. I'm not going to get into the complex details of how, and there are some interesting nuances, but basically, it protects them from rent increases. By doing that, they bring the housing movement to bear, and they then mobilize and put pressure on the city council. So a bill that could not get a vote in the city council in 2009 because of opposition from the real estate industry, they didn't want to stomach the cost of this. In 2019, the bill passes 45 to two and the city councilor who puts this bill fourth on behalf of the movement says, on the day that it passed, and I was there he said, we have to pass this bill today, so when mothers go to sleep at night they don't worry that they and their children will be displaced by rising seas or by rising rents. By rising seas or by rising rents, and it's by linking those two together which had never been done in New York City before linking those two together is how you built a coalition strong enough to pass something as technocratic as the building energy efficiency bill. How will we know when we're succeeding, in addition to the numbers is when we talk to tenants or renters around the country long-term homeowners about climate or green investment. They say oh, yeah, that's for me. That stuff is great, and I don't think it's like that right now. I think at best there are a lot of folks who don't get access to this stuff, worry about displacement. They value it. Everybody wants to live on a stable climate, but it's sort of like a whole foods branded policy. You know, that sounds great for somebody else. That's like Tesla. I think a lot of people resent Teslas, but most of them would probably not turn down a free Tesla. But I think if people ordinary people who don't have a lot of money hear about green homes and think oh, yeah,

that's for me. I have one, and if you see that in politics, for those folks are out there agitating for this kind of policy, and I think that means it's winning, and I do think at the end of the day you are not going to like save the world without anybody noticing. The brand of climate action no longer being a nice luxury, nice if you could get it, to being like, yeah, I own that. That's my thing. Does it feel like this issue belongs to the people? I think that's achievable. I think that's well within site, but we're not there yet, and I do think it's going to take some pretty intense policy to get there and that seems hard on the other end of that as I think a sort of virtuous self-reinforcing circle where once equity and climate really feel this really connected and that's reflected in the political system, then I think that really helps us face down the 2030s and 2040s when if anything the climate challenges are going to be even more intense than they are now.

Geoff: Always good to end on a high note.

Daniel: Yeah, it's a treat to talk like this at the University of Chicago, and if it sounded optimistic at the end, I hope that's because this is a good place for good ideas.

Geoff: Thanks so much for joining us.

Daniel: Thank you, Geoff.

Geoff: The Inequality Podcast is a production of the Stone Center for Research on Wealth Inequality and Mobility at the University of Chicago. I'm Geoff Wodtke. I'd like to thank our producer and engineer Shane McKeon, our assistant director Gerardo Espinal Franco for production oversight, and lastly our executive director Grace Kolavo for her support. You can get in touch with us at stonecenter@uchicago.edu. Thanks for listening.

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