



**Testimony of Kelly Cartales
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**On HB 373, Maryland Transit Administration
Transit Oriented Development**

**Before the House Environmental Matters Committee
Maryland House of Delegates
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Thank you Chairwoman McIntosh, Vice Chairman Malone and distinguished members of the House Environmental Matters Committee. My name is Kelly Cartales. I am senior vice president and Baltimore and Mid-Atlantic director of Enterprise Community Partners. I appreciate the opportunity to share our thoughts on HB 373 specifically as it relates to affordable housing.

Enterprise is a national innovator in community revitalization and a leading provider of development capital and expertise needed to create decent, affordable homes and rebuild communities. For 25 years, Enterprise has pioneered neighborhood solutions through public-private partnerships with community organizations, financial institutions, local governments and others who share our vision. Enterprise has raised and invested \$8 billion in equity, grants and loans to help build or preserve 225,000 affordable homes, and is currently investing at a rate of \$1 billion a year.

In Maryland, Enterprise focuses its work in Baltimore City while supporting affordable housing development in the Washington metropolitan area, including Montgomery, Howard and Prince George's. Throughout Maryland, Enterprise has invested more than \$375 million to create and preserve more than 10,000 homes working with nearly 100 community-based organizations and affordable housing developers.

Rising Transportation, Housing and Energy Costs

The average family spends more than half of their income on housing and transportation. One in three American households now spends more than 30 percent of their income on housing, and one in seven spends more than 50 percent. The average family spends 19 percent of the household budget on transportation while households with good access to transit spend just 9 percent. This savings can be critical for very-low-income families, whose transportation costs can be more than 55 percent of the total household budget.¹ A growing number of families are moving further out to suburban or even exurban locations to find affordable housing. A 2005 Center for Housing Policy study quantified the trade-off, concluding that for every dollar a working family saved on housing, it spent 77 cents more on transportation.²

¹ Reconnecting America, Center for Transit-Oriented Development, *Realizing the Potential: Expanding Housing Opportunities near Transit*, (Washington, DC: Reconnecting America, April 2007), 2.

² Center for Housing Policy, *Something's Gotta Give: Working Families and the Cost of Housing*. New Century Housing, Vol. 5 Issue 2, (Washington, DC: Center for Housing Policy, April 2005), 8.



Transit-Oriented Development as a Solution

Transit ridership is at a 40-year high. According to the American Public Transportation Association, transit ridership has increased 25 percent since 1995 with three-quarters of the growth coming from heavy, light and commuter rail. Mayors value transit in helping to spur urban regeneration and reduce traffic congestion. Businesses value transit because employees can get to work on time and transit is viewed as a key amenity in attracting new populations to grow local economies. Developers see a market for housing near transit and are designing new products and new neighborhoods to meet this demand. Transit is a powerful tool particularly when combined with proactive land use and economic development strategies. The legislature has an opportunity to support a policy that will help families reduce transportation costs while offering incentives for affordable housing development.

In 2004, Enterprise sought to address the challenge of rising energy and housing costs by launching Green Communities - a holistic, cost effective approach to sustainable development in low-income communities. Enterprise's Green Communities Initiative is a national commitment to invest more than half a billion dollars in affordable housing that is energy-efficient, healthy and environmentally sustainable, as well as located near jobs, schools, transportation and services. Green Communities has already resulted in more than 10,000 environmentally friendly homes nationwide.

Green Communities provides funds and expertise to enable developers to build and rehabilitate homes that are healthier, more energy efficient and better for the environment - without compromising affordability. Green Communities homes are built according to the Green Communities Criteria, the first national framework for healthy, efficient, environmentally smart affordable homes. Within the Green Communities Criteria is a development project's consideration of walkability and transportation choices. Projects which are located within a quarter mile of transit service receive greater consideration in the Green Criteria point system.

HB 373

Enterprise strongly supports HB 373, which defines transit-oriented development as a transportation purpose. This bill would also provide the Maryland Transit Administration with additional flexibility to support transit-oriented development deals. Passage of this bill would confirm that promoting well-planned transit-oriented development is an appropriate way for MTA to maximize the effectiveness of transportation resources. Given that transportation costs consume a disproportionate share of household income for low-income families, Enterprise also supports a requirement that transit-oriented development on state-owned land include a housing affordability component.

Conclusion

This committee and the legislature should pass HB 373, which is an important step toward increasing transit-oriented development in Maryland. Access to transit improves quality of life and help to lower costs of living. Enterprise remains committed to working with affordable housing developers, the Department of Transportation and the Maryland General Assembly to ensure that families of all incomes have the opportunity for decent, affordable housing with ready access to transportation, jobs, quality schools and services. Thank you.