

Kudos to the City for proposals to regulate student housing

The Bethlehem Gadfly Neighborhoods, Southside August 12, 2020

 Latest in a series of posts on the Southside 

Anna Smith is a Southside resident, full-time parent, and community activist with a background in community development and education.

Gadfly:

After two years of best practices research, conversations with residents, community organizations, and property owners, and careful data analysis, the City has proposed Text Amendments to the Zoning Ordinance that would regulate all off-campus student housing within the City. This is the first policy implemented to directly regulate off-campus housing for all students enrolled at a local college or university. Until now, student housing has fallen under the category of “regulated rentals,” which house 3-5 unrelated individuals and are inspected and registered with the City on a yearly basis. The proposed amendments define a “student home” as a separate category and create geographic restrictions for the establishment of any new “student homes” in south Bethlehem. The Planning Commission will consider the proposal at their meeting on August 13th at 5 pm.

Some background on the student housing issue (skip to below for details on the zoning changes)

In 2018, in my former role at CADCB, I completed my semi-annual analysis of residential property sales in south Bethlehem, and came across a shocking data point—the median price of a single-family home had increased by 18% from one year to the next. As I dug deeper, I found that new owner-occupiers were few and far between in the neighborhoods close to Lehigh’s campus, and brand-new companies with New York or New Jersey mailing addresses and names like “Lehigh Housing LLC” were buying homes at higher-than-average prices for the neighborhood. In addition, the number of properties adjacent to Lehigh University experiencing a sale or transfer over the previous year had increased by 34%.

Over the next six months, CADCB staff and the Southside Vision Housing committee began conversations with residents in the neighborhoods adjacent to Lehigh University, and we quickly identified a startling frenzy of speculative investment activity. The perfect combination of low-interest rates, a recovering economy, Lehigh's announcement of a major increase in student population (without a simultaneous explanation of how they would be housed), and the perception of easy money to be made in student housing was resulting in a new group of investors—many with no ties to the community at all—buying up properties in Southside neighborhoods. At the prices they were paying, renting to a family would not be an option. And why would they, when they could make up to \$5,000 per month on a home rented to students, while the same home would max out around \$1,800 for a family?

Residents described a slick, Kansas City-based investor who was knocking on doors in the Hillside/First Terrace area, promising homeowners (falsely) that every one of their neighbors had already committed to sell their properties, and if they didn't sell now, their house would lose its value due to a massive student development that would be built next door. When they couldn't make it work, a recent Lehigh grad purchased a number of the homes and brought a preposterous plan for townhouses balancing on the side of the mountain before the Planning Commission, who let the proposal advance. Residents scrambled to collect enough money to pay a lawyer to defend their neighborhood at the Zoning Hearing Board, and, after learning of the legal challenge, the developer pulled his proposal at the last minute. However, after paying an average of \$250k per property, residents worried that it would only be a matter of time before he brings a new proposal forward.

Meanwhile, properties for sale throughout south Bethlehem—often miles from the center of campus—now suggest that they would be “perfect” for student housing, and are listed at prices far from what most local families could afford. Neighborhoods like the one where I grew up, at Ninth and Carlton, have reached the student housing tipping point; we always had a few student homes, but the numbers are increasing. One more bad student house, with overgrown grass and weeds, students partying on the third story roof and setting off fireworks, and broken bottles smashed all over the sidewalk, will send the homeowners

packing. I've heard it from the nine homeowners who have signed letters and petitions in that block, asking the City to preserve the quality of life for committed residents who love their neighborhood.

Meanwhile, a low-income family in south Bethlehem has taken one of the largest student housing providers to court; the home they have rented for years for \$1,500 a month was purchased by a student housing provider that is attempting to increase their rent to \$620 per person—an average price for a student home.

From my perspective, the question we were faced with, and that we asked of the City, was: **how do we preserve mixed-income neighborhoods with a diversity of housing types (including student homes), while retaining affordability for families?**

And the City listened and took on the challenge. In August 2018, the Southside Vision Housing Committee and the City hired Karen Black, a University of Pennsylvania professor, lawyer, and expert on housing policy and planning, to analyze the options available to preserve mixed-income neighborhoods in south Bethlehem. Karen spent several months researching best practices from other communities, and discussing possibilities with residents, student housing owners, and City planners, among others. City staff continued the process throughout the next year, developing a proposal for zoning changes that was presented to community stakeholders last summer and fall. The Southside Vision Housing Committee met with City Council members last August to discuss these issues, and the four members in attendance indicate their interest in a proposal from the administration that would address resident concerns.

After months of meetings with stakeholders and careful revisions, we finally have a proposal that addresses the concerns of the neighborhood. This is the product of resident advocacy and organizing, careful data collection, analysis of best practices, and consultation with professionals in the field. So what are the highlights, for those who don't enjoy reading zoning ordinances?

1. The policy defines “student home” as *“a dwelling unit occupied by 3 or more students aged 18 years or older, but not more than 5, who are not “related” to each other and each of whom is enrolled to take*

two or more academic classes at a college or university authorized to grant post secondary degrees by the Pennsylvania Department of Education. A housing unit occupied by 1 or 2 college students shall be treated the same as any other housing unit of the same housing type, and shall not be considered a Student Home.”

2. All properties currently housing 3-5 students (regardless of the location) that are appropriately registered and inspected as regulated rentals at the time of the passage of the ordinance will be allowed to remain student homes, as long as they maintain their yearly licensing and inspection. If they let it drop for any amount of time, they will be required to abide by the rules of the new ordinance.
3. Any property that is **not currently** a student home that wishes to house 3-5 students must now be located **ONLY** in the areas established by the attached map. These neighborhoods were selected because they are close to Lehigh’s campus and already have a significant portion of the area dedicated to student housing. These homes will also be required to provide 3 off-street parking spaces.
4. Any property that is **not currently** a student home that wishes to house students in the business district will be restricted to a maximum of 3 students per home.
5. Any property that is **not currently** a student home that wishes to house students outside of the designated areas and business district will be restricted to a maximum of 2 students per home (and will not be regulated as a student home, but as a typical rental property).
6. Additional limits have been placed on the height and impervious surface coverage of any new construction in RG/RT zones, which would prevent the construction of out-of-scale structures designed to house students in residential neighborhoods.

Thanks to the hard work of Darlene Heller, Tracy Samuelson, and Alicia Karner on this one, and to Mayor Donchez for hearing the concerns of Southside residents and taking action. Neighborhoods are the foundation of our City, and the diverse, mixed-income neighborhoods of south Bethlehem (students included)—where neighbors yell to one another from their front porches and kids play on the sidewalk, where people always say “hi” when I walk by and ask me about the baby, where neighbors offer you food from the barbecue without even knowing your

name—that's the south Bethlehem I know and love, and that is worth protecting.

Anna