

**Housing Policy Initiative:
Borough of Middletown
Commonwealth of Pennsylvania**

March 2019

Riley G. Cagle
Candidate for B.S. Public Policy
Penn State Harrisburg, The Capital College
777 W Harrisburg Pike, Middletown, PA 17057

Executive Summary

Penn State Harrisburg is currently experiencing a high level of growth and is entering a period of rapid expansion. Penn State Harrisburg contributes many things to the surrounding community through student involvement and other programs. However, on-campus student housing prices have been increasing due to higher demand. Off-Campus housing is becoming limited and also very expensive. The borough of Middletown has enacted an ordinance that limits housing occupancy of single family homes to no more than two unrelated persons. Landlords and students have raised concerns over this ordinance and have claimed that this ordinance restricts student's access to more affordable housing from private entities off-campus. The Borough contests that there is an on-street parking issue that the ordinance aims to alleviate. However, students contest this view and claim that the borough is deliberately using the ordinance to harass students. The building of new student housing takes a significant amount of time due to bureaucratic limitations of the institution of Penn State. Students want to see this Ordinance changed or repealed so that they may access affordable privately rented housing. The policy hereinafter, aims to provide solutions for all sides. The policy addresses street parking and housing solutions, including options for amendments and new policy.

Disclaimer

The opinions, research, suggestions, and analysis in this policy are in no way a reflection of the views or opinions of The Pennsylvania State University or any of its affiliated campuses. Penn State is not affiliated with this project, nor do they endorse this project. Any professor that reviews and provides feedback on this project does so for the sole purpose of pedagogy and thus is neutral to the use of this report outside of the classroom.

Table of Contents

<u>Section</u>	<u>Page</u>
Introduction to the Policy Issue	4
Current Housing Situation	5
Impact of Penn State Harrisburg on Middletown	6
Borough Interest in the Issue as a Formal Actor	7
Challenges Facing College Students	9
College Student and Landlord Views	10
Policy Recommendations	13
Comparing Policy Recommendations	14

Conclusion	16
References	17

Introduction to the Policy Issue

Penn State Harrisburg is starting to show the warning signs of a housing crisis. It is becoming increasingly difficult to find affordable housing in the on-campus and off-campus affiliated housing. Part of Penn State’s mission is “access and affordability,” as stated by president Barron in many public speeches. Currently, the supply of housing is not meeting the growing demand that is coming with university expansion at Harrisburg.

According to the chancellor of Penn State Harrisburg, Dr. Mason, Penn State Harrisburg is hoping to reach a student population of 10,000 in the next 10-15 years. In recent years, the campus has received record numbers of applications. It is not only facing a growth in population; it is facing a new issue of the campus transitioning into a four-year institution, whereas other campuses are following a “2+2 program”. This is a traditional Penn State program where a large majority of students will spend two years at a commonwealth campus and then transition to Penn State University Park in State College, PA to complete their degree. More and more students such as myself are completing a degree at the Harrisburg campus rather than moving to University Park. This means that fewer students are leaving and the campus cannot rely on a consistent turnover to keep housing demand down. It has been mentioned that Penn State

Harrisburg is also becoming a destination campus to receive transfers from other commonwealth campuses.

In order to expand, however, the campus needs to go through the extensive bureaucracy of the university system. All plans for new buildings require approval by the Board of Trustees at University Park. This process takes significant time--time that the campus does not have. There is a three-point plan that comes with expansion: (1) having enough faculty to teach the incoming students, (2) having enough housing or parking for residential and commuter students, and (3) having the classroom space to teach the incoming students. This policy report addresses one of the three points concerning off-campus housing.

It is in the Borough's interest to create a policy to allow students to share housing in the borough and this policy brief aims to outline those benefits, as well as student complaints about enforcement of the ordinance and landlord testimony, and lastly multiple policy recommendations and the pros and cons of each recommendation.

Current Housing Situation

Currently, Penn State Harrisburg has two off-campus, affiliated housing complexes, Campus Heights and Nittany Place, both of which are difficult to get into due to space constraints. Compounded by the ordinances Middletown enforces against student renters, these constraints can result in students being incapable of living affordably in Middletown. Ordinance No. #1297-2013, for instance, states that a group is a family provided that no more than two people are unrelated by blood, marriage, or

adoption. Ordinance No. #1297-2013 also states that a Dwelling is one (1) or more rooms arranged for occupancy by one (1) “family.” This definition of family has been used to enforce penalties such as fines upon landlords, which ultimately leads to eviction of students living in “single family” homes in town in order or landlords to comply. The second states that a landlord may register their property as student housing so long as they provide off-street parking for the property per ordinance No. #260-202. Both ordinances present severe obstacles to students who wish to live in Middletown.

It is true that two students can live in a three-bedroom dwelling, but landlords are looking to fill that third room, and students are looking for a third roommate to lighten the financial burden of rent. Ordinance No. #260-202 is difficult for landlords to comply with due to space, financial, and insurance limitations. There is not enough space to facilitate the building of off-street parking around most properties, and most landlords have small properties and are not able to front the cost of creating off-street parking. It has been said that landlords would also have trouble with the insurance costs of student housing, something which poses another financial limitation for landlords with small properties and proportional incomes.

Impact of Penn State Harrisburg on Middletown

Every region that is home to a Penn State campus has the distinct advantage of benefiting from attendant economic growth. Middletown is particularly fortunate to have the largest Commonwealth Campus by student population right in its back yard. According to a recent independent study, the entire institution of Penn State contributes

\$11.4 billion in economic benefit to the Commonwealth of Pennsylvania (Swenson). Penn State Harrisburg alone contributes \$198 Million to the Dauphin County economy and contributes 2,437 jobs directly and indirectly through university operations and student spending (Swenson). Essentially Penn State Harrisburg is an economic powerhouse located in Middletown, and inevitably, Middletown can and has directly benefitted from the campus presence. Students who live off-campus spend, on average, \$8,687 over a 9-month period. Of that total, 46% is spent on housing, 25% for dining in and out, 6% for transportation, and 23% for other remaining living expenses (Swenson). If 1,000 students live off campus, this means that they are spending a total of \$8,687,000 directly in Middletown and the nearby areas based on the average spending number defined in the study. While some may spend more or less, this speculation is valuable given the amount of growth experienced by Penn State Harrisburg. Given that 46% of that is spent on housing (Rent/mortgage/utilities), a total of \$3,996,020 taxable revenue (\$3,996.02 times 1,000 students), in the form of property taxes, is available to the Borough. As the school expands, demand for housing will inevitably increase and, with an ordinance change, private industry will be able to build housing to meet demands and increase aggregate taxable income.

Furthermore, Recognized Student Organizations (RSO's) contribute many hours of free community service to the Middletown area. Fraternity and Sorority Life (FSL) contribute hundreds of hours a year to the area. Every RSO is required to do at least one hour of community service a semester. However, this year RSOs such as the Student Government Association have done much more than the required service. Service project included projects Habitat for Humanity, Middletown Home, the We Care Food

Pantry, the Its Bigger than You 5K, animal shelters, community cleanup, the Ronald McDonald House, handing out extra food for families at the Middletown Area High School, and many more. The community directly benefits from all the work done by the student population.

Borough Interest in the Issue as a Formal Actor

The power of Penn State in communities is apparent. Many businesses recruit directly from Penn State and prefer Penn State graduates. There are even businesses built around Penn State graduates specifically. It is a very reasonable assumption that as the campus grows, Middletown will become a prime destination for influential companies to start building offices and firms in the area in order to recruit directly out of the college. It is no secret that the Commonwealth of Pennsylvania has a severe problem with college graduates leaving the state (Commonwealth Foundation). This is a small piece of a larger problem hurting the state, however it is a step towards a solution by making Middletown a place where graduates can stay and possibly obtain a professional job in the future. Furthermore, Penn State Harrisburg is one of the few Commonwealth Campuses that provides graduate student programs. Such programs cater to early- and mid-career professionals, many of them from the local area.

There are entire communities with a culture built around the unbreakable bond and pride of the mantra “We Are Penn State”. This community has the chance to take

part in that. The chance to unite around the flagship higher education institution in the region. The borough also stands to realize a sharp increase in tax revenue as stated above. Additionally, the borough stands to gain a useful tool of increased student involvement in the town through community service. These three points are compelling in favor of integrating the students into the community.

Middletown is becoming increasingly a rental town with more and more properties becoming rental properties year after year. The Borough could capitalize on this by allowing students to move into these homes and generate revenue for the Borough and landlords alike while also providing affordable housing for students.

A study by Illinois Wesleyan University showed that people in the workforce who live in college towns make, on average, \$3,458.69 more than people in the workforce in a non-college town (Grady). This is because the population has a higher level of educational attainment since there is a college directly available to the residents of the town (Grady). All of this amounts to major economic revenue and growth for the Borough.

Challenges Facing College Students

With an increase in student applications and demand for housing, as well as the growing pressure for expansion, students have been put in a tough spot. Rent in on- and off-campus housing has increased exponentially with some students paying upwards of \$950 a month, per student, in a three-person room in Nittany Village. Rent in Nittany

Village is projected to increase next academic year to \$1,063.33 a month.¹ After examining the numbers of one student living in the on-campus Village Apartments, it costs \$975.55¹ per month, plus the added burden of a meal plan that is required for freshman, which costs \$5,200 per academic year (9 months). The combined cost of living in the Village Apartments on campus is \$13,979.95 per academic year, roughly \$1,553.32 a month for freshmen. The rent for the Village Apartments is projected to increase next year from \$4,389.97 a semester to \$4,520, which will increase the total monthly rent to \$1,004.44, which does not include a meal plan.

College students are forced to front this extreme cost burden because they cannot live in Middletown and the current off-campus affiliated housing is moderately competitive and getting more competitive year after year. Unless expansion occurs on-campus, which is a very long process, demand will only go up and prices will also increase, leading to a growing crisis amongst students living at Penn State Harrisburg. Of the landlords interviewed for this report, all offer much lower rates that can be split amongst tenants and most landlords in the area that were interviewed also cover utilities. Some rates that were offered included amounts ranging from \$500 to \$825. Again, these rates can be split amongst two, three, or four people, which significantly lowers monthly rent costs.

College Student and Landlord Views

¹ This estimate is based on projected total housing costs divided by nine months in the academic year.

Students are also facing growing harassment from residents in Middletown and from the codes enforcement officer which will be detailed in this section. Harassment has led students to be kicked out of their homes per the zoning hearing board's decision in the Water Street case, and it has caused students to be threatened over parking.

All names of the students interviewed will be kept confidential in this section and shall be presented as Student A, B, C etc. Our interviews were conducted in a meeting between landlords and students on the night of March 14th, and I interviewed seven students and four landlords. The first interview with Student A described an interaction with the Codes Enforcement Officer; Al Geosits. According to Student A, The Codes Enforcement Officer walked up their fire escape and knocked on the back door. When Student A answered the door, they were asked "what are you doing?" to which the student did not know how to respond and asked, "Who are you?" The officer identified himself as being a borough employee and proceeded to ask "Are you a Student?" and also "May I come in?" multiple times, according to Student A. When the student responded saying "that is none of your business." and declined to let the officer in, the officer stated "Do you know who I am? You don't want to get on my bad side," which Student A perceived as a threat. The exchange ended with a business card being handed to the student who referred the officer to their landlord for any questions.

Student B detailed events of being threatened over parking. Student B reported a time that they found a note on their car threatening them to "never park in my (expletive) parking space again" and has been asked multiple times walking out of their apartment by random individuals if they were a student. Student B expressed specifically that they felt as if they were being targeted by the community around them.

Student C reported a visit from the Codes Enforcement Officer immediately following a visit to the borough building to change a utility bill to their name.

After researching the cases and speaking with the landlords, all cases of known enforcement have only been levied against students or landlords renting to students. Landlord A detailed a call from a borough employee who stated that they received a complaint that “six young females” were living together in their property. Landlord A completely denies this accusation and only has two individuals on the lease. Landlord A claims this accusation is ridiculous and that they were asked investigative questions over the phone and that they were asked for a copy of their lease, to which Landlord A refused.

Landlord B was also asked for a copy of their lease following a borough interaction with one of their students. Landlord B refused.

Landlord C says that they openly rent to students and have faced significant trouble with the borough fighting against them and claims to have faced significant harassment from codes officials. Landlord C specifically feels as if they are being directly targeted by the borough.

A concerned and senior resident of the community also spoke during the interviews, stating that they called and reported to the borough that 3 unrelated individuals that *were not* students were living together in an apartment and that no action was taken against the non-students.

To the people in the room, this community member’s testimony and story further confirmed that this policy is being used against students specifically. These accounts are

very concerning and provide moral grounds for the ordinances to be repealed or changed, or for certain ordinances to be added to protect students living in the borough.

It is also worth mentioning that there has been a case opened by a landlord against the borough in county court in response to enforcement of Ordinance No. #1297-2013. The court case hasn't seen any action in months, but it is a very clear message to the borough that landlords are against Ordinance No. #1297-2013 and that they are looking to have it thrown out. Rather than a court case however, there are solutions on the table and those solutions are quite easy and create a winning situation for all parties; landlords, students, and the borough.

Policy Recommendations

To be clear, the Borough can adopt one of these policies or they can adopt more than one of each policy. Some policies complement each other and can be enacted together.

Housing Policy Recommendation A: Amend Ordinance No. #1297-2013 from two unrelated individuals to four unrelated individuals so that landlords in the area can freely rent to students without being in violation of the law and students can have affordable housing off campus.

Housing Policy Recommendation B: Amend the Student Housing ordinance #260-202 and remove the off-street parking clause, add a clause stating that

there will be no more than one or two people per bedroom so that landlords can obtain student housing permits easier.

Housing Policy Recommendation C: Create a new set of codes that deal specifically with the governance of rental properties. Include that rental properties will have a capacity for tenants based on the number of bedrooms there are in the property (one person per room/two people per bedroom). This way, unrelated students can live together in a rental property and landlords can be in compliance with Borough law.

The following parking policy recommendations should all be implemented, if possible, as each helps the parking issue in the Borough in different ways.

Parking Policy Recommendation A: create permit parking throughout the entire town. Permit parking is already a policy in certain parts of Middletown, and in a Borough HRC meeting, officials attested to me that it has worked very well where it has been implemented. However, there should be a certain number of permits allotted specifically to students.

Parking Policy Recommendation B: Draft a new ordinance that outlaws the parking of boats, trailers, and recreational vehicles on the street for more than 48 hours. Many other municipalities in the immediate surrounding area have similar ordinances enacted such as, Royalton, Steelton, and Highspire. It would also help for the Borough to have a parking lot where people that own these types of vehicles can park them for a small fee per month or per year.

Parking Policy Recommendation C: Paint lines on the streets to guide vehicles where to park, so that residents can maximize the amount of parking on the street.

Comparing Housing Recommendations

Housing Policy Recommendation A:

Pros:

- ∞ Allows most housing in the area to be accessible to students
- ∞ Allows students to have affordable housing
- ∞ Allows Landlords with empty units to fill all/most rooms with students who can share the rent

Con:

- ∞ Creates no formal rental ordinance for Landlords, which poses future problems

Housing Policy Recommendation B:

Pros:

- ∞ Makes it easier for Landlords to apply for student housing permits
- ∞ Allows students access to affordable housing

Cons:

- ∞ Landlords are hesitant to register their properties due to increased insurance costs
- ∞ Increased insurance costs mean increased rent costs per month

- ∞ Removing the off-street parking clause gives free reign for large complexes, like Nittany Place, to be built without a requirement that they provide adequate parking.

Housing Policy Recommendation C:

Pros:

- ∞ Students receive unrestricted access to affordable housing
- ∞ Landlords have free reign to rent to whoever they want
- ∞ Insurance costs stay low for landlords
- ∞ Provides formal guidelines for Landlords to follow when renting properties

Cons:

- ∞ Takes time and negotiation to draft formal guidelines for landlords that are fair and that everyone can agree on

If all three parking policies are implemented, the most practical suggestions to go with would be Housing suggestion A or, Housing Suggestion C. Housing Suggestion A would be easier to implement and takes a short time to enact. Whereas Housing Suggestion C takes more time to enact but creates a more comprehensive set of borough codes.

Conclusion

The purpose of this policy report is simple: integration of a community and a school that have been separated for too long. Penn State Harrisburg has been around

since 1966, and yet there is still major divide between the college community and the Middletown community 53 years later. Both communities stand to make major gains from integration with very little negative outcomes on either side. Students can bring a lot to this community in terms of service, culture, and revenue, and the community can bring a lot to students through affordable housing. It is our will as Americans to participate in our communities and leave them better than we found them. The caliber of student that Penn State produces rivals that of any top tier college in the United States, and students want Middletown to recognize that and accept us into their community. Students here are the workforce and the leaders of the future that will lead all communities to the solutions they need to the most pressing issues. We all want to be united, because We Are Penn State.

References

Grady, Sean (2017) "The Economics of a College Town," *The Park Place Economist*: Vol. 25 Available at: <http://digitalcommons.iwu.edu/parkplace/vol25/iss1/12>

Stelle, Elizabeth. "Pennsylvania's Self-Inflicted Lobotomy." *Commonwealth Foundation*, 3 May 2017, www.commonwealthfoundation.org/policyblog/detail/pennsylvanias-self-inflicted-lobotomy.

“Borough of Middletown, PA: Enforcement; Violations and Penalties.” *Borough of Middletown, PA Code*, www.ecode360.com/32630756.

Swenson, David. *The Economic Contribution of the Pennsylvania State University*. Feb. 2019, www.psu.edu/ur/newsdocuments/Penn-State_Economic-Contribution-Study_February-2019.pdf.