

Overview of the City of Bethlehem's Zoning Amendments to Regulate Student Housing

Background

In 2018, community members and City staff identified a series of data points and resident anecdotes that indicated a major shift in the student housing market in south Bethlehem. In a single year, residential property sales were up 34% near Lehigh's campus, sales prices were up 18%, and the percentage of new owner-occupiers was extremely low. We heard stories from neighborhoods that had previously housed only a handful of student homes for the last decade, but where out of state buyers were going door to door, attempting to convince homeowners that all their neighbors had already sold and that their homes would soon lose their value due to major student housing developments planned for the neighborhood. Realtors were emphasizing news of Lehigh's expansion and encouraging investors to look far beyond the traditional boundaries of student neighborhoods. Although student housing has been a part of the community for a long time, and will always be a part of it, the events of the last few years have shifted the balance and left long-time residents concerned about losing their family-oriented neighborhoods completely, as families are forced to look elsewhere.

A group of concerned Southside residents got together to discuss the future of our neighborhoods, and with support from the City and Southside Vision, hired an expert on housing policy from the University of Pennsylvania to analyze policies and practices that other college communities have used to preserve mixed-income neighborhoods while providing for the necessary amount of off-campus housing. Over a two-year period, City staff have collected data, researched best practices, and met with stakeholders across our neighborhoods, including residents, landlords, and university officials. The City has proposed amendments to the zoning ordinance as the conclusion of an extremely thorough, comprehensive process that exemplifies community-informed and responsible planning.

How has the City proposed to regulate student housing?

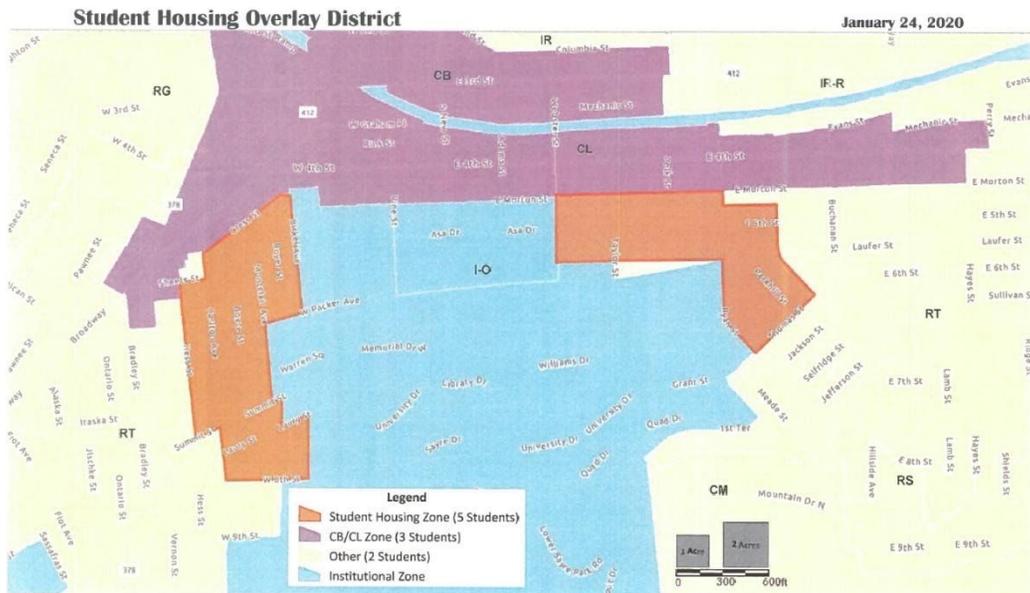
The City's proposed revisions to the Zoning Ordinance can be found here:

[https://www.bethlehem-pa.gov/getattachment/Calendar/Meetings/2020/City-Council-Meeting/67/06e-Memo-Zoning-Amendments-Student-Housing-Overlay-District-\(1\).pdf.aspx?lang=en-US](https://www.bethlehem-pa.gov/getattachment/Calendar/Meetings/2020/City-Council-Meeting/67/06e-Memo-Zoning-Amendments-Student-Housing-Overlay-District-(1).pdf.aspx?lang=en-US)

The following summary highlights the main points of the proposed regulation:

- All **EXISTING** student homes (3-5 students per house) will be allowed to remain student homes, regardless of the location, as long as they continue to be inspected and licensed annually.

- Any **NEW** student home (3-5 students per house) must comply with the following regulations:
 - Any new student home must be located within the designated **Student Housing Zone** established by the City, and must be inspected and licensed annually
 - If the new student home is within the business district, it will be capped at a maximum of three students
 - All new student homes in residential neighborhoods must provide 3 off-street parking spaces
 - The existing house may not be altered to create additional bedrooms in order to house students (eg. living room converted to a bedroom).
- Any houses outside the designated **Student Housing Zone** that are not currently student homes may house a maximum of 2 college students.
- Any new construction of multi-family buildings in residential neighborhoods will be capped at 3.5 stories or 40 feet (previously 5 stories or 60 feet), with the exception of developments on lots that are a minimum of 2 acres



Why is this ordinance a good thing for Southside neighborhoods and families?

- 70% of Southside residents rent their homes. Fair Market Rent, or the maximum that a subsidized housing voucher will cover, for the Lehigh Valley is \$1,327 for a three-bedroom apartment, and according to the US Census, median rent in south Bethlehem neighborhoods ranges from approximately \$500-\$1,200 per home. Student housing rents for \$400-\$1,000 *per bedroom*, and the majority of student homes have 5 bedrooms. By limiting the expansion of student housing to neighborhoods already containing a majority of student homes, we are preserving affordable housing opportunities for low- to moderate-income families and preventing neighborhood

destabilization due to the acquisition of rental homes for student housing and subsequent eviction of families.

- Students are not universally bad neighbors—many are active in the community, take care of their rental homes, and are friendly with families in the neighborhood. However, the transient nature of students and their unique schedules can make compatibility with families and older adults a challenge. Students tend to socialize, study, and come and go into the early hours of the morning, which can disturb the rest of small children, older adults, and early-shift workers. It makes sense to concentrate student housing in areas close to campus where the majority of houses are already student homes, rather than expanding into new areas with little existing student housing. Locating student homes closer to the university campus also reduces the number of cars parked in residential neighborhoods, since students will be close to on-campus transportation and university buildings.
- Many of us remember growing up in neighborhoods full of life that created a sense of community—children of all ages playing outside, older neighbors watching from porches, neighbors walking dogs, chatting with one another, fixing cars, listening to music. This vibrant neighborhood life is still a reality in the Southside neighborhoods outside the borders of the Student Housing Zone and helps to create a sense of community where neighbors look out for one another and care about one another. By containing the spread of student homes, we can preserve the quality of life for homeowners and long-time renters who ensure that neighborhoods are safe and community-oriented places to raise a family and grow old. If we allow student housing to expand, we will lose the families and individuals with the strongest ties to the community, since these are the residents who have expressed their intention to leave if student housing continues to expand into their mixed-income neighborhoods.

Frequently Asked Questions

- **Does this ordinance discriminate against students?**

Students are not a protected class by law, so they do not have the right to allege discrimination for their status as students. However, landlords who rent exclusively to students may put themselves at risk for a lawsuit alleging discrimination by family status or age (protected class includes individuals over 40).

Students are permitted to live anywhere in the City. The only restriction is on the number of unrelated college students per home, which cannot exceed 2 outside of the designated Student Housing Zone.

Student housing restrictions are used in communities throughout the country, including the City of Allentown, which enacted their policy in 1997.

- **Isn't this unfair to student housing landlords? What if they paid a lot for properties outside of the Student Housing Zone?**

All current student housing providers will be allowed to maintain their current properties indefinitely, regardless of their location in the City, as long as they continue to have their properties licensed and inspected annually. The changes only apply to properties that are not currently serving as student housing.

- **Isn't Lehigh increasing their enrollment? Where are those extra students supposed to live?**

Lehigh has committed to providing on-campus housing for all additional students that are enrolled above 2019 numbers. Therefore, *there will be no net increase or decrease in the number of students living off-campus* in the foreseeable future. According to Lehigh leadership, there is no immediate need for more student housing off-campus.

- **If there is no need for more off-campus housing, then why are property owners investing in new student housing?**

Student housing in south Bethlehem varies widely by price, quality, type, attentiveness of landlords, furnished or unfurnished, services provided, and location. Some investors are hoping to provide more desirable accommodations and draw students away from other providers. Others are targeting specific demographics (eg. international students) or providing lower-priced accommodations further from campus.

While Lehigh students make up the vast majority of students living off-campus in south Bethlehem, students from DeSales University, Northampton Community College, and Penn State Lehigh Valley also live in south Bethlehem. Some landlords hope to attract more students from these colleges, since these students tend to live throughout the Lehigh Valley.

Some investors have been misled regarding Lehigh's expansion in the student population, and some still believe that more students will be living off-campus. Some realtors have perpetuated this belief.

- **Aren't all of the current issues with student housing a product of the City's decision to allow up to five unrelated people to be considered a "family?" Why can't we just change the definition of family?**

Many Southside residents remember changes in the zoning code in the 1980s or 1990s that led to the expansion of student homes into the neighborhoods that are currently slated to become part of the designated Student Housing Zone. These changes may have initiated a series of events that led to the current challenges posed by the expansion of student housing into additional neighborhoods, but revisiting the definition of family could potentially do more harm than good, while opening the City to legal challenges. By limiting the definition of “family” to individuals related by blood, marriage, or adoption, we would exclude a wide range of individuals whose household arrangements have no bearing on their permanency, commitment to the community, etc. By regulating college student housing directly, rather than changing the definition of family, we can better address the unique living situation of students and its impact on the surrounding community. For more details, see: <https://thebethlehemgadfly.com/2019/07/29/the-latest-on-defining-a-family/>