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**House Local Government Committee  
Public Hearing on H.B. 809  
Monday, July 20, 2015**

**Student Housing & Municipal Ordinances**

**Testimony of Thomas J. Fountaine, II  
Borough Manager  
Borough of State College**

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**Chairwoman Harper, Minority Chair Freeman and members of the Committee, good morning and thank you for providing me with this opportunity to address HB 809 with the committee today.**

**My name is Tom Fountaine. For the past 12 years I have served as the Manager of State College. I am also a Past President of the International Town Gown Association. ITGA is an international organization that brings together universities, their host municipalities, and students to share best practices and address the many common issues that we face in college towns, most notably in the neighborhoods at the edge of college campuses. My experience has allowed me to gain knowledge and perspective on a variety of issues and approaches to address the most common issues that are found in college towns.**

**As the host municipality to the main campus of the Pennsylvania State University (Penn State), State College has considerable experience with student housing and related quality of life issues the neighborhoods near campus. State College has a population of 42,000 and about 70% of that population is between the ages of 18 and 24. The population density in State College is about 9,500 people per square mile. The 2014 enrollment at the Penn State University Park campus is 46,600 students and approximately 70% of these students live off campus. Nearly 50% of all single and two-family homes in State College are rental units, with a higher percentage of student rentals located in the neighborhoods near the Campus. Approximately 60% of the single family residences in the neighborhood immediately south of downtown State College have rental housing permits.**

**In State College, we find the highest incidence of crime in these predominately student neighborhoods at the edge of campus. Typically, about 60% of all crime in State College involves students. In 2014, 48% of all crime occurred in those neighborhoods that have become predominantly student occupied. If we look at only residential neighborhoods and remove downtown State College, 76% of all crime in State College occurred in these neighborhoods.**

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**Virtually all communities that host a college or university have faced increased "studentification" of the neighborhoods near campus. Studentification has been defined by British geographers as the dislocation of professionals, middle class, and working class families by students. The character of neighborhoods has been transformed due to the out-migration of families and professionals in response to the growing student population. This has resulted in the decline of the quality of life in the neighborhoods when measured by any number of variables. One variable is the ongoing conflict that exists between student and non-student neighbors as a result of differing lifestyles and behavior. Similar conflicts have also been documented in the United Kingdom (UK) and Canada where property prices have escalated, thereby contributing to cultural and retail transformations and the out-migration of established populations and local community resistance to students. This has certainly been the case in State College as significant population shifts have occurred over the past four decades.**

**It is not entirely clear when the tipping point occurs, where the number of properties that are occupied by students is high enough to cause non-student residents to relocate, resulting in the further destabilization of these neighborhoods. In the literature on town gown issues related to the erosion of neighborhoods, the tipping point has been identified to be as low as 10% student rentals and as high as 25% student rental. This question is currently being studied in State College.**

**What are the impacts when these neighborhoods begin to tip? Over a 30 year span, between 1970 and 2003, the fiscal health of the State College has significantly declined; from an above average rating in 1973 and then dropping to one of the Pennsylvania municipalities with the most negative fiscal health indicators in 2003. This is based on the Fiscal Health Index reported by the**

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**Pennsylvania Economy League in its report, *Structuring Healthy Communities Part 1: Revenue Generation and Fiscal Health*.<sup>1</sup>**

Between 1970 and 2010, State College was the only municipality in the Centre Region<sup>2</sup> (the Centre Region includes State College and the five surrounding townships) that saw a decline in the number of families. In fact, in State College, the number of families has declined from nearly 4,500 in 1970 to about 3,000 families in 2010. Between 1970 and 2010, there has been a 30% decline in the number of families residing in State College.

As expected, the decline in families in State College, and the increase in students, the per capita income for State College has not kept pace with the per capita income in the neighboring townships. Although the entire Centre Region has shown growth in per capita income over the past 40 years, State College's rate of growth has fallen substantially behind the suburban communities. In 1970, the per capita income for the municipalities in the Centre Region was virtually identical, ranging between \$2,000 and \$3,000 per capita. Beginning in 1980, State College began to fall behind the suburban communities, with the amount of disparity in per capita income becoming significantly more pronounced in 1990. 2000 and 2010. Per Capita income in State College has grown from about \$2,000 per capita in 1970 to around \$14,000 in 2010. This compares to the suburban communities where income has risen to between \$34,000 and \$40,000 per capita in 2010. The relative decline in per capita income is also reflected in tax collections. There has been virtually no growth in the real estate or earned income taxes in State College the past ten years.

This shifting in demographics, per capita income and tax revenues coincides with a period of increased student residents in State College. Other Pennsylvania

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<sup>1</sup> The Pennsylvania Economy League, Inc., *Structuring Health Communities Part 1: Revenue Generation and Fiscal Health*.

<sup>2</sup> The Centre Region is comprised of the Borough of State College, College, Halfmoon, Harris, Ferguson and Patton Townships.

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university host communities have experienced similar issues. In 2005, a Pennsylvania Economy League study showed that municipalities that host universities consistently collect less revenue per capita from all forms of taxes than municipalities that do not host a college or university. The study also found that these host municipalities also have higher per capita taxes than other municipalities.

In addition to the demographic and fiscal issues associated with student housing, State College also experiences significant conflict between student and non-student residents living in these neighborhoods. Examples of these conflicts include:

- A couple was awakened in the early morning hours when a student, on his way home from a nearby party, picked up a hammer and tossed it through the bedroom window.
- Families find used condoms in their yards, including in and on play equipment for children.
- The pre-teen girl was confronted with a naked student walking down the hall in a family home because the student was intoxicated and believed that he was in his own home.
- Vandalism to property.
- Loud noise and voices throughout the night and into the early morning hours.
- A family going to church on Sunday morning finds a student passed out on their porch.
- A resident walking their dog in the morning discovers someone has defecated and vomited on the sidewalk.

These are but a few examples of what are routine occurrences in these neighborhoods. Noise, vandalism, assaults, public drunkenness, and other property crimes fuels the conflicts between student and non-students in these neighborhoods.

Municipal ordinances and regulations that govern rental housing permits, occupancy and student homes provide important tools that allows municipalities

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and communities to address the issues related to the studentification in these edge neighborhoods. Best practices that we have studied over several decades include a variety of responses to these impacts, from code and ordinance enforcement, rental registration or permitting, increased law enforcement, and environmental management strategies. Regulations that limit occupancy and student rentals are important tools used in conjunction with these other practices to prevent neighborhoods from reaching the tipping point when out-migration and decline begin to adversely affect the character, safety and economic viability of these neighborhoods.

In the 1960's, as the enrollment at Penn State began to increase, student housing off campus began increasing. The migration of students into State College neighborhoods significantly increased beginning in 1968, when more and more private sector homes were being occupied by students. At the same time, the erosion of single-family neighborhoods also started to occur, resulting in shifting demographics, and fiscal issues. This trend of increased student housing in the neighborhoods near campus and the outmigration of families and professionals has continued throughout the decades as Penn State enrollment has continued to grow from around 15,000 students in the 1960's to nearly 47,000 today.

As more students have continued to migrate off campus and into the neighborhoods, town gown tensions have also increased. As a response to this increased tension, the State College community adopted a rental housing permit and a property maintenance code in the 1970's. In 1978, as State College continued to see increases in the conversion of single-family homes to student rentals, neighborhood leaders and State College explored additional measures to preserve the neighborhoods near the campus. In 1979, State College adopted a zoning regulation to limit the occupancy in a single-family home to three unrelated persons in residential zoning districts.

Occupancy limits are a common regulation in college towns across the country. As reported by Blake Gumprecht, a 1989 survey reported that 76% of college towns with populations less than 100,000 had occupancy limits.<sup>3</sup> These

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<sup>3</sup> Gumprecht, Blake, *The American College Town*. Page 316. University of Massachusetts Press, 2008  
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**occupancy limits are most often established to limit the economic viability of student rentals and to reduce the number of students living in a neighborhood.**

**While these occupancy limits in State College have had some impact, they did not stop the conversion of single family homes into student rentals. Beginning in 1990, the State College Coalition of Neighborhoods put forth a proposal to enact a regulation that would limit the number of student homes that could be located in residential zoning districts. After several years of discussion, and with strong support from neighborhood groups, a second zoning regulation was adopted by the State College in 1997 to define a "Student Home" and to regulate the distance permitted between student homes in the residential zoning districts. This ordinance amendment was modeled after an ordinance in Lower Merion Township, which was affirmed by the 3<sup>rd</sup> Circuit in 1993.**

**These types of student home ordinances have since been enacted by other municipalities in Pennsylvania and in other states. In State College, the student home restrictions only apply to one and two-family homes in residential zoning districts. Apartment buildings, rooming houses, and other multi-family units are not subject to the student home regulations. In 1997, 259 student homes were registered and all of these became legal, non-conforming uses that may continue to be permitted as student homes unless the owner abandons the use. These student home regulations have resulted in a slowing of conversions to student homes, with only 47 new student homes having been permitted since 1997. Currently there is a total of 306 student homes within State College.**

**In 2011, State College amended the student home zoning regulations to increase the distance between student homes. This amendment was intended to prevent the further expansion of student homes into lower impacted neighborhoods that have not seen an increase of new student rentals.**

**In 2015, State College implemented an annual licensing requirement for all student homes. We are currently in the process of implementing this requirement. In addition to these zoning regulations, State College engages in a number of other programs to help build community by engaging students and non-students in stabilizing these predominantly student neighborhoods.**



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State College has also initiated a number of homebuyer programs that addresses affordable housing concerns and also prevents properties from converting to student homes. In 2014, the State College Redevelopment Authority implemented a program to buy homes in near-campus and near-downtown neighborhoods that are currently licensed as student homes or are located on "tipping point" blocks. For this program, tipping point blocks are those on which 25 to 75% of the properties are rentals. This program returns properties to non-student status and secures properties that are at risk of becoming student homes by preventing their conversion. Homes purchased by the Redevelopment Authority are sold with a deed restriction ensuring that these homes will be maintained as owner-occupied residences. This program advances State College's Strategic Plan goals to increase owner-occupied housing, to increase diversity in the neighborhoods near campus, and to stabilize and reverse the negative trends that have occurred simultaneously with the increase of student housing in the neighborhoods at the edge of campus

I want to be very clear on one point, Penn State University and the students that attend Penn State are very important to the State College community. As the host of a major land grant and research institution, there are benefits that enhance the quality of life for local residents. In order to maintain the quality of life, neighborhood preservation continues to be the highest priority in the State College Strategic Plan and in the recently adopted Neighborhood Plan. It is important to maintain neighborhoods in our community and ensure that these neighborhoods will be diverse and sustainable places with a high quality of life for students and non-students alike. Zoning regulations that address occupancy and student homes are important tools for State College and other Pennsylvania municipalities to help us balance the impact of studentification of our neighborhoods.

HB 809, if adopted, would significantly reduce and restrict local municipal authority to address these serious issues that are unique to our college towns. The further erosion of the quality of life in our neighborhoods and the economic impacts on our ability to provide local government services would result. This bill would also remove local regulatory authority to enact common regulations that are in place and used effectively throughout the United States to improve



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**communities, improve the quality of life in these communities and address the issues that result as neighborhoods tip to become studentified. The local regulation of student housing has been sustained by the Pennsylvania Commonwealth Court, the Federal District Court for the Eastern District of Pennsylvania and the 3<sup>rd</sup> Circuit Court. It is consistent with important local home rule authority for local government to make decisions that are in the best interests of the local community. I urge you to reject this bill.**

**Thank you for allowing me the time to talk with you about these issues.**