

Marcellus Drilling Activity Causes Housing Crisis in Northern PA

Trend expected to duplicate in NY's Southern Tier

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The influx of drilling rigs and gas field workers has led to an unanticipated housing crisis in Pennsylvania's northern tier. At least that's what James McRath, executive director for Bradford and Tioga County Housing Authority told the PA Senate Urban Affairs and Housing Committee in September.

"A housing crisis has been precipitated by the ever-expanding number of workers employed by the gas industry," McRath said. "The continued influx of workers from Texas, Oklahoma and Arkansas places increased demand on the already limited availability of local housing."

According to McRath and others who are tasked with helping families obtain affordable housing, middle class and lower income families are being squeezed out of the market. Rents have skyrocketed in the past year, tripling and sometimes quadrupling what they were before.

Rents for two bedroom apartments have gone from \$400/month to \$1200/month in an area where the "fair market" rent is pegged somewhere between \$580 - \$610. A quick check of classified ads in Towanda area newspapers show one-bedroom apartments going for \$800/month, a one-and-a-half bedroom for \$1250, and a 3-bedroom apartment for \$2250. The latter includes utilities and internet.

Local working class families can't compete with the money out-of-state gas workers can offer. Landlords, eager to cash in on the boom, are raising rents on long-time tenants or evicting them to make room for the cash-flush gas-field workers.

The regional homeless rate has increased 20 percent over the last year, said James Meehan, at that same hearing. Meehan is the Regional Housing Coordinator for Futures Community Support Services serving Bradford, Lycoming, Susquehanna, Sullivan, Tioga and Wyoming counties.

Information collected by the Bradford County Department of Human Services over the last year shows that the homeless population has changed. Many families work, have steady incomes and health insurance. What they don't have is a roof over their heads.

Instead of heading home after work, many are bunking with relatives, renting substandard housing, getting a second job to pay rent, or crowding four people into one bedroom apartments. Some are living in campers or sleeping in cars.

Families are especially vulnerable to the loss of an apartment. Moving from one relative's house to another doesn't give children the stability they need, and Bradford County Child Services reported a ten percent increase in placement of children in foster homes from November 2009 to September 2010.

This isn't because the families are abusive or neglectful, Meehan told the Senate committee. These families aren't able to find safe, affordable housing. "They're victims of the housing market," Meehan said.

What does this have to do with New York? A lot, say Cornell students who spent the past three months studying the impacts of drilling on Bradford County. On December 12 the students presented their findings in a public meeting held in Ithaca's Town Hall. Upstate NY, they said, would do well to pay attention to the problems south of the border.

The Cornell students focused their study on Bradford County because it is similar to this region. Bradford County includes small rural towns, some with zoning and some without. It is an area of scenic beauty with agriculture and tourism contributing significantly to the region's economy.

The students are hoping that municipal officials and public agencies will learn from Bradford County's experiences, and be better prepared for the projected influx of gas wells and those who work the rigs.

At issue is whether there is adequate rental housing – enough to accommodate a sudden surge of workers when the rigs first come to an area. To meet the need for their gas field workers, Chesapeake built worker dormitories, their “man-camp” near Athens, PA. It's not just the workers who compete for local rentals, noted the students. Once business owners see an increase in demand for their goods or services, they try to relocate in Marcellus areas.

Christin Lencsak, who is working towards her masters in Regional Planning, reported that the hotel market in Bradford County has been saturated for two years. Some gas companies rent entire hotels – or purchase them outright – for employee housing.

While this is a financial boon to the hotel owner, it puts added demands on the local taxpayers because long-term rentals do not generate hotel tax income for the state, Lencsak said. The shortage of rooms means no vacancies for visitors, so businesses dependent on tourism suffer.

More critical, however, a lack of vacant hotel rooms translates to a lack of temporary emergency housing for homeless families, Lencsak said. Or even places to house families facing temporary emergencies such as fire, gas leak or a weather disaster.

The most important lesson the Cornell students learned from their research was that upstate communities can't wait for drilling to happen. Our communities should be discussing these issues right now, while we have the time, they said.