

College housing standoff continues, legislators pushing for a solution

Legislators push for solution between students and medco





By: [Mallory Sofastai](#)

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BALTIMORE — The standoff between college students and a university housing provider has yet to be resolved.

For nearly two months, students have tried canceling their leases after schools moved to virtual learning, however, the Maryland Economic Development Corporation (MEDCO) hasn't let them off the hook.

Early Wednesday morning, a group of students and parents organized a caravan around the State House calling on the governor and legislators to intervene in the dispute.

"We're asking him for his help and his leadership to make MEDCO do right by all of the students at Towson," said Brian Payne.

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Payne's son is one of the thousands of students who entered into a lease at a MEDCO-owned property.

Towson, the University of Maryland, College Park, and other universities released students from housing obligations, however, it only applied to students living in residences owned by the universities.

Students like Payne's son and Simin Li, a UMD student with a lease at a MEDCO-owned property, have been told they'll still need to pay.

"I pay for my own tuition, I pay for my own housing, I've done so for four years and I cannot afford to pay \$900, almost \$1,000 per month for an empty room. And I don't want other students whose parents are paying

that much money to feel guilty into living in an unsafe housing situation,” said Li.

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The demonstration happened hours before a subcommittee hearing on public higher education operations for the fall semester.

In the hearing, the topic of MEDCO and students was briefly discussed.

Delegate Ben Barnes, Education and Economic Development Subcommittee Chair, asked University of Maryland, College Park President Darryll Pines for an update on the situation.

“Unfortunately, these lease agreements are not made with the university so we’re not able to provide the maximum flexibility that we did in our residence halls,” Pines said.

“Well, we’re going to ask you to keep working on it. Look, I know I speak for, because I’ve talked with all of them personally, Chair Guzzone, Chair McIntosh, really all the members of the General Assembly; we’ve all reached out to Mr. Brinkley on this issue and we really need a resolution to this issue. The semester is up and rolling, so we’d hope to hear something very soon,” said Barnes.

MEDCO Executive Director Bob Brennan has said they can’t release students due to its obligations to bond holders, vendors, and other entities.

Delegate Lorig Charkoudian (D-Montgomery County) said the public-private partnership was meant to be a partnership, instead, students and families are unfairly shouldering the financial burden and risk.

“What we need to do is make sure these students are safe, make sure the families are made whole and then we really need to start asking questions about who are these private-public partnerships really benefiting? And right now, MEDCO has made it very clear it’s the bond holders who they’re looking out for,” said Charkoudian.

Parents and students at the different universities are now working together and with an attorney. They've sent MEDCO a letter stating why they believe the agreements to be invalid given the new circumstances on campus and they're waiting for a response.

After Long Dispute, Md. Universities Reach Agreements to Release Hundreds of Students From Leases

By Elizabeth Shwe
December 18, 2020

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During an August demonstration, a car was painted with a message from University of Maryland students trying to get out of their MEDCO apartment leases. Photo by Elizabeth Shwe.

Hundreds of students who have been stuck in housing leases at Maryland's public universities for the last four months may finally see a resolution within the next week.

The University of Maryland College Park is planning to sign an agreement with the Maryland Economic Development Corporation to release students from their leases “within the week,” Carlo Colella, the vice president for Administration and Finance at the university told state lawmakers Thursday. Officials are currently “sandpapering” the edges of the agreement, Colella said.

MEDCO is a quasi-governmental economic development agency that owns student housing at several University System of Maryland campuses. But as the COVID-19 pandemic upended many schools’ plans for on-campus learning, students who had signed up to live in MEDCO-owned properties found getting out of their leases was far more difficult than if they had been living in campus-owned dormitories.

The lack of flexibility in the midst of a pandemic infuriated some students and their families — and it has taken months to sort through the disputes.

Now, students who requested cancellation in the fall will get housing credits that they can use in the future, Colella said. If students made rent payments in the fall, those payments would also be applied to the future.

Seniors who requested cancellation in the fall but are able to come back in the spring will take the fall credit and apply it to the spring, Coella continued. They also have the option to sub-lease to another student or transfer their housing credit to another party.

“It is a sacrifice that everybody is participating in – MEDCO, the University and the families,” he said during a hearing of the House Appropriations Subcommittee on Education and Economic Development.

Towson University and MEDCO reached a similar agreement earlier this week.

In some cases, MEDCO will release students from their leases if they requested cancellation for both fall and spring, Benjamin Lowenthal, the vice president of

administration and finance of Towson University told delegates Thursday. But conditions vary on a case-by-case basis and by which building they were in.

Students who already made payments will be given credit for those payments to any future semester they choose to live in a MEDCO-owned building, Lowenthal continued.

“We thoroughly understand the university’s desire and need to put this together, Robert Brennon, the executive director of MEDCO, told state lawmakers. “We too have a lot of concerns with the safety.”

But no one expected it to take four months to resolve this issue, and some state lawmakers expressed impatience.

“Seeing is believing,” said Del. Ben Barnes (D-Prince George’s), the chair of the Education and Economic Development Subcommittee, whose district includes the University of Maryland campus.

“Families have been struggling to deal with this for a number of months,” Del. Jared Solomon (D–Montgomery), the vice chairman of the subcommittee, said in an interview with *Maryland Matters*. “So while it is very positive that they’re getting to an agreement, I wish it had been executed a bit earlier.”

Brennon said that families and students can expect to hear back from MEDCO “immediately” after agreements are finalized.

As it became clear that COVID-19 would pervade through the new school year, students from UMD and Towson University [tried to cancel their year-long leases](#) during the summer so that they could attend classes virtually from home.

When Towson University suddenly shifted to virtual learning for the rest of the fall semester in late August after a spike in coronavirus cases, students living in residential

halls were sent home and fully reimbursed. However, MEDCO-owned living facilities remained open and expected students to continue to pay.

MEDCO is a state corporation that promotes economic development in the state through bonds and projects, which includes student housing projects. Several universities in the state established public private partnerships (P3's) with MEDCO to build on-campus housing for students. As a result, the school does not own the buildings and thus does not have control over rent payments; MEDCO does.

MEDCO currently owns two apartments buildings at UMD College Park and three at Towson University.

While UMD College Park students living in residential halls were given the option to either live on campus and accept the new risks related to COVID-19 or cancel their housing agreement without financial penalty, the only choices that students living in public-private apartments had was to stay in the lease or to re-lease their room to another student.

University officials consistently claimed that they had no responsibility over housing agreements that students signed with MEDCO. Meanwhile, MEDCO leaders said they were unable to release all students from their leases due to their obligations to bond holders and vendors.

This led students and parents from both universities to organize and seek help from state lawmakers and even representatives in Congress.

Four months too long

U.S. Rep. Anthony G. Brown (D-Md.) [wrote a letter](#) to the House Appropriations Committee Tuesday, asking leaders to include language in the next COVID-19 stimulus bill that would allow state agencies to use a state fiscal relief fund to aid students by releasing them from housing leases with MEDCO.

“Students and their families should not be penalized for seeking in-person instruction on college campuses nor can they control the dangerous new surge of infections, hospitalizations and deaths from the COVID-19 pandemic that has forced colleges and universities to move to online classes in order to protect their health,” Brown said in an email to *Maryland Matters*.

“As we work to provide the relief this country desperately needs, we cannot overlook their needs. This issue isn’t going away, and I’ll continue to fight for a fair resolution for students, their families and these businesses.”

The COVID-19 relief package slowly working its way through Congress currently does not include direct federal aid to state and local governments.

Maryland House Speaker Adrienne A. Jones (D-Baltimore County) [sent a letter](#) in early December to MEDCO, Secretary David R. Brinkley of the Department of Budget and Management and university leaders to resolve the issue as soon as possible.

“My understanding this summer was that we were moving forward with providing some state financial relief and some university financial relief from each of the impacted universities to help alleviate a portion of the burden on these families. However, we have not heard any further information this fall,” Jones wrote.

In early November, a representative from Gov. Lawrence J. Hogan Jr. (R)’s office [told](#) a Towson University parent that “the Administration nor the universities had authority over private contracts and agreements.”

However, some state lawmakers think Hogan could have used a part of the state’s emergency funding to aid students stuck in leases.

“Frankly, the governor could have certainly stepped up,” Solomon said. “He had emergency funding and money from the CARES Act that could have been used in a way to offset this earlier on.”

Parents and students remain cautiously optimistic about the recent agreements between the universities and MEDCO.

“This is great first step, but there are a lot more talks that need to occur,” said Scott Depuy, the father of a Towson student who has been a vocal critic of the state’s arrangement with MEDCO.

Parents and students have not been provided with any specific details of what the agreement entails, according to Depuy. Furthermore, some families may not be satisfied with housing credit for future leases with MEDCO and may want full refunds, he said.

Leonard L. Lucchi, the attorney representing around a hundred students at UMD College park and 40 students at Towson University, said he is “very pleased that agreements have been reached at Towson and are imminent at UMD.” He praised the state leaders who helped make these agreements possible.

Going forward, however, it is important to set some “guardrails” for quasi-governmental agencies such as MEDCO, Lucchi said. It took four months and pressure from multiple state leaders for the universities and MEDCO to finally reach an agreement, which was more time and effort than most had anticipated.

State lawmakers could push out legislation next session to ensure that students and families have a specific recourse if a similar situation occurs again, instead of carrying the burden of finding a solution in a situation that is completely out of their hands, such as the COVID-19 pandemic, Lucchi said.

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(Disclosure: Leonard Lucchi is a member of the Maryland Matters Board of Directors.)