

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1728

Session of  
1985

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INTRODUCED BY COWELL, IRVIS, SEVENTY, LEVDANSKY, PRESTON,  
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OCTOBER 2, 1985

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AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, MARCH 19, 1986

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## AN ACT

1 Amending the act of May 24, 1945 (P.L.991, No.385), entitled "An  
2 act to promote elimination of blighted areas and supply  
3 sanitary housing in areas throughout the Commonwealth; by  
4 declaring acquisition, sound replanning and redevelopment of  
5 such areas to be for the promotion of health, safety,  
6 convenience and welfare; creating public bodies corporate and  
7 politic to be known as Redevelopment Authorities; authorizing  
8 them to engage in the elimination of blighted areas and to  
9 plan and contract with private, corporate or governmental  
10 redevelopers for their redevelopment; providing for the  
11 organization of such authorities; defining and providing for  
12 the exercise of their powers and duties, including the  
13 acquisition of property by purchase, gift or eminent domain;  
14 the leasing and selling of property, including borrowing  
15 money, issuing bonds and other obligations, and giving  
16 security therefor; restricting the interest of members and  
17 employes of authorities; providing for notice and hearing;  
18 supplying certain mandatory provisions to be inserted in  
19 contracts with redevelopers; prescribing the remedies of  
20 obligees of redevelopment authorities; conferring certain  
21 duties upon local planning commissions, the governing bodies  
22 of cities and counties, and on certain State officers, boards  
23 and departments," further providing for the acquisition of  
24 blighted property by redevelopment authorities for certain  
25 uses and the means of financing the purchase of property; AND <—  
26 FURTHER PROVIDING FOR ECONOMIC DEVELOPMENT PROGRAMS.

27 The General Assembly of the Commonwealth of Pennsylvania

28 hereby enacts as follows:

29 Section 1. Sections 2, 3 and 9 of the act of May 24, 1945

1 (P.L.991, No.385), known as the Urban Redevelopment Law, are  
2 amended by adding clauses to read:

3 Section 2. Findings and Declaration of Policy.--It is hereby  
4 determined and declared as a matter of legislative finding--

5 \* \* \*

6 (h) That there exists within the Commonwealth, both within  
7 and outside certified redevelopment areas, an inadequate supply  
8 of residential owner-occupied and rental housing due, in part,  
9 to the deterioration of older dwellings, the elimination of  
10 substandard dwellings by governmental action, the increased cost  
11 of construction and the unavailability of affordable financing  
12 from the private sector.

13 (i) That there exists within the Commonwealth, both within  
14 and outside certified redevelopment areas, deteriorating  
15 commercial and industrial areas and/or individual structures,  
16 due, in part, to the fact that there are no private funds  
17 available to finance the purchase, construction, rehabilitation  
18 or equipping of the commercial and industrial properties at  
19 interest rates that would make the commercial or industrial  
20 project economically feasible. Such commercial or industrial  
21 projects are needed for the social and economic well-being of  
22 communities within the field of operation of authorities.

23 (J) THAT THERE EXISTS WITHIN THE COMMONWEALTH, BOTH WITHIN <—  
24 AND OUTSIDE CERTIFIED REDEVELOPMENT AREAS, A NEED TO MAINTAIN  
25 AND IMPROVE ECONOMIC CONDITIONS AND THEREFORE IT IS NECESSARY TO  
26 ESTABLISH ECONOMIC DEVELOPMENT PROGRAMS TO PROVIDE FOR THE  
27 STIMULATION AND MAINTENANCE OF PRIVATE INVESTMENT AND  
28 ENTERPRISE. SUCH ECONOMIC DEVELOPMENT PROGRAMS WOULD ENCOURAGE  
29 AND PROMOTE THE ECONOMIC AND SOCIAL WELL-BEING OF THE ENTIRE  
30 COMMUNITY.

1       \* \* \*

2       Section 3. Definitions.--The following terms where used in  
3 this act, shall have the following meanings, except where the  
4 context clearly indicates a different meaning.

5       \* \* \*

6       (s) "Commercial and Industrial Redevelopment Program."--The  
7 financing of the purchase, construction, rehabilitation or  
8 equipping of a commercial or an industrial project as part of  
9 the redevelopment of an area designated in the program as  
10 needing such assistance by the Authority and in accordance with  
11 the program.

12       (t) "Commercial or Industrial Project."--A commercial or  
13 industrial facility, as those terms are used in the zoning  
14 ordinances of the municipality for the Authority's field of  
15 operation, within an area designated in the Commercial and  
16 Industrial Redevelopment Program which by its nature and  
17 location has or offers reasonable likelihood of preventing,  
18 slowing or reversing the deterioration of the designated area.

19       (u) "Residential Housing Redevelopment Program." The  
20 financing of the purchase, construction, rehabilitation or  
21 equipping of a residential housing project as part of the  
22 development of an area designated in the program as needing such  
23 assistance by the Authority and in accordance with the program.

24       (v) "Residential Housing Project."--A facility within an  
25 area designated in the Residential Housing Redevelopment Program  
26 which provides residential housing.

27       (W) "ECONOMIC DEVELOPMENT PROGRAM".--THE PROVISION OF  
28 ASSISTANCE TO BUSINESSES AND INDUSTRIES IN ORDER TO INITIATE,  
29 MAINTAIN OR CONTINUE PRIVATE INVESTMENT OR OPERATION. AN  
30 ECONOMIC DEVELOPMENT PROGRAM MAY INCLUDE ASSISTANCE TO

<—

1 BUSINESSES, INDUSTRIES, AND OTHER ENTERPRISES THROUGH THE  
2 CONSTRUCTION OR IMPROVEMENT OF INFRASTRUCTURE; THE  
3 REHABILITATION OF STRUCTURES AND BUILDINGS; AND THE MAKING OF  
4 LOANS FOR THE ACQUISITION, CONTINUED OPERATION, AND EXPANSION OF  
5 BUSINESSES OR ENTERPRISES FOR PURPOSES SUCH AS THE PURCHASE OF  
6 REAL ESTATE, MACHINERY, EQUIPMENT, AND BUILDINGS AND FOR WORKING  
7 CAPITAL.

8       Section 9. Powers of an Authority.--An Authority shall  
9 constitute a public body, corporate and politic, exercising  
10 public powers of the Commonwealth as an agency thereof, which  
11 powers shall include all powers necessary or appropriate to  
12 carry out and effectuate the purposes and provisions of this  
13 act, including the following powers in addition to those herein  
14 otherwise granted:

15       \* \* \*

16       (aa) To make, directly or indirectly, secured or unsecured  
17 loans to any purchaser or owner of a residential housing or a  
18 commercial or an industrial project for the purpose of financing  
19 the purchase, construction, rehabilitation or equipping of a  
20 residential housing or a commercial and industrial redevelopment  
21 program.

22       (bb) To make loans to, or deposits with, at the option of  
23 the Authority, without requiring collateral security therefor,  
24 any financial institution, in order to enable that financial  
25 institution to finance the acquisition, construction,  
26 rehabilitation or equipping of a residential housing or a  
27 commercial and industrial redevelopment program. For such  
28 purposes, an Authority may make such loans as the Authority may  
29 determine; receive interest on such deposits as may be agreed to  
30 with the financial institution; purchase and hold notes or other

1 obligations secured by mortgages, deeds of trust or security  
2 interests in residential housing, commercial or industrial  
3 projects or property used as additional security,  
4 notwithstanding anything to the contrary elsewhere contained in  
5 this act; sell, assign, pledge or encumber any security,  
6 including mortgages or other security agreements, held by or  
7 granted to the Authority or received in connection with the  
8 financing of residential housing or commercial or industrial  
9 projects and grant to any trustee, in addition to any other  
10 rights or remedies contained therein or in any documents  
11 granting such security, such other rights and remedies as may be  
12 approved by the Authority.

13 (CC) TO MAKE, DIRECTLY OR INDIRECTLY, SECURE OR UNSECURED <—  
14 LOANS IN ORDER TO UNDERTAKE AN ECONOMIC DEVELOPMENT PROGRAM.

15 Section 2. The act is amended by adding a section to read:

16 Section 11.1. Preparation and Provisions of a Residential  
17 Housing Redevelopment Program and Commercial and Industrial  
18 Redevelopment Program AND AN ECONOMIC DEVELOPMENT PROGRAM.--(a) <—  
19 The Authority may develop a Residential Housing Redevelopment  
20 Program or a Commercial and Industrial Redevelopment Program OR <—  
21 AN ECONOMIC DEVELOPMENT PROGRAM for all or part of its field of  
22 operation.

23 (b) The Authority shall submit the redevelopment program to  
24 the planning commission for review and approval.

25 (c) The planning commission, within forty-five days, shall  
26 either approve, reject or modify the program as satisfying the  
27 public purpose of this act. If the planning commission takes no  
28 action within forty-five days, the program shall be deemed  
29 approved on the forty-sixth day.

30 (d) Upon approval by the planning commission, or at the

1 expiration of forty-five days, if no recommendation is made by  
2 the planning commission, the Authority is authorized to take  
3 such action as may be necessary to carry out the redevelopment  
4 program.

5 Section 3. Section 12.1(a), (c)(7) and (e) of the act, added  
6 June 23, 1978 (P.L.556, No.94), are amended to read:

7 Section 12.1. Blighted Property Removal.--

8 (a) Notwithstanding any other provision of this act, any  
9 Redevelopment Authority shall have the power to acquire by  
10 purchase, gift, bequest, eminent domain or otherwise, any  
11 blighted property as defined in this section, either within or  
12 outside of a certified redevelopment area and, further, shall  
13 have the power to hold, clear, manage and/or dispose of said  
14 property for residential and related [use] reuse and commercial  
15 or industrial reuse. This power shall be exercised in accord  
16 with the procedures set forth in this section.

17 \* \* \*

18 (c) Blighted property shall include:

19 \* \* \*

20 (7) Any unoccupied property which has been tax delinquent  
21 for a period of [two years] one year prior to the effective date  
22 of this act, and those in the future having a [two year] one  
23 year tax delinquency.

24 \* \* \*

25 (e) The [vacant] blighted property review committee [and the  
26 appropriate planning commission], upon making a determination  
27 that any property is blighted within the terms of this section,  
28 must certify said blighted property to the Redevelopment  
29 Authority, except that:

30 [(1) No property shall be certified to the Redevelopment

1 Authority unless it is vacant.

2 (2)] (1) No property shall be certified to the Redevelopment  
3 Authority unless the owner of the property or an agent  
4 designated by him for receipt of service of notices within the  
5 municipality has been served with notice of the determination  
6 that the property is blighted, together with an appropriate  
7 order to eliminate the conditions causing the blight and  
8 notification that failure to do so may render the property  
9 subject to condemnation under this act. The notice shall be  
10 served upon the owner or his agent in accord with the provisions  
11 of a local ordinance pertaining to service of notice of  
12 determination of a public nuisance. The owner or his agent shall  
13 have the right of appeal from the determination in the same  
14 manner as an appeal from the determination of public nuisance.

15 [(3)] (2) No blighted property shall be certified to the  
16 Redevelopment Authority until the time period for appeal has  
17 expired and no appeal has been taken, or, if taken, the appeal  
18 has been disposed of, and the owner or his agent has failed to  
19 comply with the order of the responsible department or other  
20 officer or agency.

21 [(4) No single vacant lot or parcel of ground shall be  
22 certified to the Redevelopment Authority under this section on  
23 which more than ten dwelling units can be constructed under  
24 existing zoning regulations.]

25 \* \* \*

26 Section 4. Section 13.1 of the act is repealed.

27 Section 5. Section 14 of the act, amended July 17, 1970  
28 (P.L.496, No.173), is amended to read:

29 Section 14. Form and Sale of Bonds.--The bonds of an  
30 Authority shall be authorized by its resolution; shall be issued

1 in one or more series; and shall bear such date, mature, at such  
2 time, and bear interest at such rate[, not exceeding six per  
3 centum (6%) per annum, except that for a period ending on  
4 October 10, 1970 the rate or rates of interest may exceed six  
5 per centum (6%) per annum but shall not exceed seven per centum  
6 (7%) per annum] as shall be determined by the Authority as  
7 necessary to issue and sell such bonds, payable semi-annually,  
8 be in such denominations, be in such form, either coupon or  
9 registered, be executed in such manner, be payable in such  
10 medium of payment, at such place, and be subject to such terms  
11 of redemption and carry such registration privileges as may be  
12 provided in such resolution, or in any trust, indenture or  
13 mortgage properly made in pursuance thereof.

14 The bonds of an Authority may be sold at public or private  
15 sale [at not less than par and accrued interest] for such price  
16 or prices as the Authority may determine. In case any of the  
17 officers of an Authority whose signatures appear on any bonds or  
18 coupons shall cease to be officers before the delivery of such  
19 bonds their signatures shall, nevertheless, be valid and  
20 sufficient for all purposes, the same as if such officers had  
21 remained in office until such delivery.

22 The Authority shall have the power out of any funds available  
23 therefor to purchase any bonds issued by it [at a price not more  
24 than the par value thereof plus accrued interest]. All bonds so  
25 purchased shall be cancelled. This paragraph shall not apply to  
26 the redemption of bonds.

27 Any bond reciting in substance that it has been issued by an  
28 Authority to accomplish the public purposes of this act shall be  
29 conclusively deemed in any suit, action or proceeding involving  
30 the validity or enforceability of such bond or security therefor



1 to have been issued for such purpose.

2 [The interest on bonds issued with an interest rate exceeding  
3 six per centum (6%) per annum shall be paid during the term for  
4 which the bonds were issued and shall not be limited to the  
5 specified period during which the rates in excess of six per  
6 centum (6%) per annum could be determined.]

7 Section 6. This act shall take effect immediately.