

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2713 Session of
1986

INTRODUCED BY IRVIS, MURPHY, PRESSMANN, AFFLERBACH, EVANS,
BELARDI, FREEMAN, CALTAGIRONE, CAWLEY, KUKOVICH, JOSEPHS,
OLIVER AND RICHARDSON, JULY 1, 1986

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JULY 1, 1986

AN ACT

1 To promote the health, safety and welfare of the people of this
2 Commonwealth by supporting and expanding the network of
3 Neighborhood Housing Services Programs which work to halt the
4 deterioration of homes and the decline of neighborhoods, and
5 to broaden the availability of the programs and services
6 offered by Neighborhood Housing Services Programs, especially
7 to persons of low and moderate income, by establishing within
8 the Department of Community Affairs a State Neighborhood
9 Housing Services Program; and making an appropriation.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Short title.

13 This act shall be known and may be cited as the Neighborhood
14 Housing Services Act.

15 Section 2. Legislative findings and purpose.

16 It is hereby determined and declared as a matter of
17 legislative finding that:

18 (1) A substantial number of living units in this
19 Commonwealth are in deteriorating condition, with many
20 residents of this Commonwealth residing in homes which do not
21 conform to applicable health and safety ordinances. This

1 situation impedes the development of healthy, safe and viable
2 communities in this Commonwealth.

3 (2) The problems of declining neighborhoods, including
4 deteriorating housing with a concomitant loss of property
5 values and erosion of the tax bases of the affected
6 communities, negatively impact on the health, safety and
7 welfare of residents of this Commonwealth.

8 (3) The encouragement of public-private partnerships
9 between State and municipal governmental entities and private
10 financial and corporate institutions to coordinate and
11 optimize their respective resources is critical to any
12 serious effort to halt deterioration and revitalize declining
13 neighborhoods.

14 (4) The Commonwealth can maximize the number of low-
15 income and moderate-income housing units by encouraging the
16 rehabilitation of existing structures.

17 (5) The Neighborhood Housing Services Programs, as
18 organized and supported by the Federal Neighborhood
19 Reinvestment Corporation, have proven themselves as highly
20 effective and innovative mechanisms for halting the decline
21 of neighborhoods and stemming the deterioration of housing
22 units by bringing together the public and private sectors in
23 a partnership dedicated to the rehabilitation of existing
24 housing and the restoration of self-worth and self-reliance
25 to neighborhoods.

26 (6) State support for the Neighborhood Housing Services
27 Programs holds promise for the improvement of the quality of
28 life in those neighborhoods beset with the problems
29 associated with deteriorating and substandard housing, and
30 these programs can serve as a model of an effective and

1 innovative strategy to remedy these problems.
2 Therefore, it is hereby declared to be the policy of the
3 Commonwealth of Pennsylvania to promote the health, safety and
4 welfare of its inhabitants by the creation of the Pennsylvania
5 Neighborhood Housing Services Program. This program will provide
6 funds to assist in the creation, expansion and support of
7 Neighborhood Housing Services Programs to stem deterioration and
8 decline in identified neighborhoods, which impair economic
9 value, and public revenues, discourage private investment and
10 detract from the overall quality of life in this Commonwealth.
11 Section 3. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Department." The Department of Community Affairs of the
16 Commonwealth.

17 "Neighborhood Housing Services Programs." Private,
18 nonprofit, community-based corporation, established pursuant to
19 the Neighborhood Reinvestment Corporation Act (Public Law 95-
20 557, 42 U.S.C. § 8101 et seq.) and working to stem neighborhood
21 decline.

22 "Neighborhood Reinvestment Corporation." The Neighborhood
23 Reinvestment Corporation as established by the Neighborhood
24 Reinvestment Corporation Act (Public Law 95-557, 42 U.S.C. §
25 8101 et seq.).

26 "Secretary." The Secretary of Community Affairs of the
27 Commonwealth.

28 Section 4. Neighborhood Housing Services Program.

29 There is hereby established a Neighborhood Housing Services
30 Program, to be administered by the department. Its purpose shall

1 be to create a partnership among private financial and business
2 institutional governments and residents in a given community to
3 undertake the rehabilitation and revitalization of specific
4 neighborhoods or geographical areas.

5 Section 5. Powers and duties of department.

6 (a) Grants.--The department shall provide annual grants to
7 Neighborhood Housing Services Programs which meet the
8 qualifications set forth in this act. These annual grants shall
9 not total more than 150% of the contributions raised from
10 private sources.

11 (b) Inspections and audits.--The department may inspect any
12 Neighborhood Housing Services Program receiving a grant under
13 this act. The department may audit and examine all books or
14 records of the corporation, require periodic reports and request
15 information necessary to ensure proper use of State funds.

16 (c) Application procedures.--The department shall publish
17 procedures regarding applications for grants under this act
18 within 60 days of the effective date of this act.

19 Section 6. Eligibility requirements.

20 To receive funding under this act, an applicant must:

21 (1) Be a Neighborhood Housing Services Program operating
22 within this State and be certified by the Neighborhood
23 Reinvestment Corporation that the applicant is registered and
24 in good standing with it.

25 (2) Be governed by a board of directors or trustees
26 which is composed of neighborhood residents, representatives
27 of financial institutions and businesses, and representatives
28 of local political subdivisions.

29 (3) Be certified by the Internal Revenue Service of the
30 United States Department of the Treasury as a charitable

organization exempt from Federal income tax.

(4) Submit to the department a description of the geographic boundaries served by the applicant and a plan which outlines the strategy that the applicant will employ or is employing to utilize both private and public resources to bring neighborhood dwellings to acceptable levels of health and safety, stem further deterioration of housing units, halt the overall decline of the neighborhood and stimulate reinvestment.

(5) Certify the amount of contributions from private sources raised during the preceding fiscal year. Where the applicant is in its first year of existence, the applicant must certify the amount of contribution pledges from private sources for that year.

(6) Maintain or plan to maintain and administer a high risk revolving loan fund which makes loans at flexible interest rates and repayment terms to neighborhood residents who are unable to obtain financing through normal lending channels for home repairs which are required to maintain their homes at acceptable levels of health and safety.

Section 7. Appropriation.

The sum of \$450,000, or as much thereof as may be necessary, is hereby appropriated to the Department of Community Affairs for the fiscal year July 1, 1986, to June 30, 1987, to carry out the provisions of this act.

Section 8. Effective date.

This act shall take effect immediately.