

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2600 Session of
2008

INTRODUCED BY DALEY, THOMAS, DeWEESE, McCALL, McGEEHAN,
SCAVELLO, REICHLEY, ADOLPH, BELFANTI, BENNINGTON, BEYER,
BISHOP, BRENNAN, BUXTON, CALTAGIRONE, CARROLL, COSTA, DeLUCA,
DePASQUALE, DERMODY, FABRIZIO, FRANKEL, GEORGE, GIBBONS,
GOODMAN, GRUCELA, HALUSKA, HANNA, HARHAI, HARHART, HARKINS,
HELM, HENNESSEY, HORNAMAN, JAMES, JOSEPHS, KILLION, KORTZ,
KOTIK, KULA, LENTZ, LEVDANSKY, LONGIETTI, MAHONEY, MANDERINO,
MANN, MARKOSEK, McILVAINE SMITH, MELIO, MOYER, MUNDY, MURT,
M. O'BRIEN, PARKER, PASHINSKI, PAYNE, PAYTON, PETRONE,
PHILLIPS, PRESTON, RAMALEY, READSHAW, SANTONI, SAYLOR, SEIP,
SHIMKUS, SIPTROTH, SOLOBAY, STABACK, J. TAYLOR, WALKO,
J. WHITE, WOJNAROSKI, YOUNGBLOOD AND YUDICHAK, JUNE 17, 2008

REFERRED TO COMMITTEE ON COMMERCE, JUNE 17, 2008

AN ACT

1 Amending the act of December 3, 1959 (P.L.1688, No.621),
2 entitled, as amended, "An act to promote the health, safety
3 and welfare of the people of the Commonwealth by broadening
4 the market for housing for persons and families of low and
5 moderate income and alleviating shortages thereof, and by
6 assisting in the provision of housing for elderly persons
7 through the creation of the Pennsylvania Housing Finance
8 Agency as a public corporation and government
9 instrumentality; providing for the organization, membership
10 and administration of the agency, prescribing its general
11 powers and duties and the manner in which its funds are kept
12 and audited, empowering the agency to make housing loans to
13 qualified mortgagors upon the security of insured and
14 uninsured mortgages, defining qualified mortgagors and
15 providing for priorities among tenants in certain instances,
16 prescribing interest rates and other terms of housing loans,
17 permitting the agency to acquire real or personal property,
18 permitting the agency to make agreements with financial
19 institutions and Federal agencies, providing for the purchase
20 by persons of low and moderate income of housing units, and
21 approving the sale of housing units, permitting the agency to
22 sell housing loans, providing for the promulgation of
23 regulations and forms by the agency, prescribing penalties
24 for furnishing false information, empowering the agency to

1 borrow money upon its own credit by the issuance and sale of
2 bonds and notes and by giving security therefor, permitting
3 the refunding, redemption and purchase of such obligations by
4 the agency, prescribing remedies of holders of such bonds and
5 notes, exempting bonds and notes of the agency, the income
6 therefrom, and the income and revenues of the agency from
7 taxation, except transfer, death and gift taxes; making such
8 bonds and notes legal investments for certain purposes; and
9 indicating how the act shall become effective," providing for
10 the Pennsylvania Housing Affordability and Rehabilitation
11 Enhancement Program.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. The act of December 3, 1959 (P.L.1688, No.621),
15 known as the Housing Finance Agency Law, is amended by adding an
16 article to read:

17 ARTICLE IV-D

18 PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION

19 ENHANCEMENT PROGRAM

20 Section 401-D. Definitions.

21 The following words and phrases when used in this article
22 shall have the meanings given to them in this section unless the
23 context clearly indicates otherwise:

24 "Committee." The Community Advisory Committee.

25 "Persons with disabilities." Individuals with physical,
26 sensory or mental impairment that substantially limits one or
27 more major life activities.

28 "Program." The Pennsylvania Housing Affordability and
29 Rehabilitation Enhancement Program established under section
30 402-D.

31 Section 402-D. Establishment.

32 There is hereby established the Pennsylvania Housing
33 Affordability and Rehabilitation Enhancement Program to be
34 administered by the agency.

35 Section 403-D. Program.

1 (a) Funding.--The sum of \$10,000,000 shall be annually
2 appropriated to the account established under section 407-D to
3 fund the program set forth under this article.

4 (b) Project types.--The program shall provide funding for
5 the following:

6 (1) Projects to provide safe and sanitary dwellings for
7 sale or rent to low-income and moderate-income individuals or
8 families.

9 (2) Projects to increase the availability or quality of
10 housing for elderly persons.

11 (3) Projects to increase the availability or quality of
12 accessible housing for individuals with disabilities.

13 (4) Projects to prevent or reduce homelessness.

14 (5) Projects to encourage the development and
15 rehabilitation of distressed neighborhoods.

16 (6) Projects to provide mortgage or rental assistance,
17 including housing counseling, foreclosure prevention and
18 refinancing products.

19 (7) Projects to provide loans, low-interest loans or
20 grants to low-income and moderate-income individuals or
21 families who are owner-occupants for repairs and improvement
22 to sustain or increase the conditions of the home.

23 (c) Purposes.--Moneys for projects under subsection (b) may
24 be used for the following:

25 (1) Predevelopment activities, including title searches,
26 market studies, project planning, architectural services,
27 legal and engineering studies and related fees.

28 (2) Acquisition and disposition of real or personal
29 property.

30 (3) Site preparation, including demolition of existing

1 structures and remediation of environmental conditions.

2 (4) Construction, reconstruction, alteration and repair
3 of existing structures, improvements and infrastructure.

4 (d) Matching funds.--Funds appropriated to the program may
5 be used for a set-aside for matching funds for counties that
6 have established optional county affordable housing funds under
7 53 Pa.C.S. Ch. 60 (relating to optional affordable housing
8 funding). In order to receive matching funds under this
9 subsection, a county must annually report detailed information
10 as required by the agency on the use of the funds for county
11 projects. The information shall be included in the agency's
12 report under section 406-D.

13 (e) Limitation.--Funds appropriated to the program shall not
14 supplant existing resources dedicated to affordable housing
15 activities. Funds appropriated to the program may be used to
16 support, expand and enhance other programs administered by the
17 agency.

18 (f) Preferences.--The agency may adopt written policies to
19 give preference to projects that meet specific goals, such as
20 energy efficiency, green building standards and comprehensive
21 design strategies, or that target identified needs.

22 (g) Considerations.--The agency shall take into
23 consideration geographical distribution of funds appropriated to
24 the program to ensure that all areas of this Commonwealth
25 participate to the greatest extent possible.

26 Section 404-D. Community Advisory Committee.

27 (a) Establishment of committee.--There is hereby established
28 the Community Advisory Committee to be comprised of the
29 following:

30 (1) Two members representing nonprofit developers of

affordable housing appointed by the agency, such as
representatives of housing authorities, redevelopment
authorities, community development corporations and housing
counseling agencies.

(2) Two members representing for-profit developers of
affordable housing appointed by the agency, such as builders,
producers of manufactured housing, financial institutions and
real estate professionals.

(3) Two members representing Statewide housing advocacy
groups appointed by the agency, such as community action
agencies, providers of services to persons who are homeless,
nursing homes and legal service providers who assist low-
income persons.

(4) One member appointed by the Governor.

(5) One member appointed by the President pro tempore of
the Senate.

(6) One member appointed by the Minority Leader of the
Senate.

(7) One member appointed by the Majority Leader of the
House of Representatives.

(8) One member appointed by the Minority Leader of the
House of Representatives.

(b) Term of office.--Members shall be appointed within 60
days of the effective date of this section and the following
shall apply:

(1) Members initially appointed by the agency shall
serve for terms of one, two and three years, respectively, as
designated at the time of appointment. Thereafter, the term
shall be three years.

(2) Members appointed under subsection (a)(4), (5), (6),

1 (7) or (8) shall serve a term that is coterminous with that
2 of the appointing authority.

3 (3) A member shall serve until his successor is
4 appointed.

5 (c) Member expertise.--Members shall have knowledge in the
6 development or provision of affordable housing or in providing
7 service to low-income and moderate-income individuals and
8 families. Appointments by the agency shall be from lists of
9 qualified individuals submitted by the appropriate Statewide
10 organization.

11 (d) Vacancy.--The appointing authority shall appoint a
12 successor member within 45 days of a vacancy. A person appointed
13 to fill a vacant committee position shall serve for the
14 remainder of the unexpired term.

15 (e) Compensation.--Members shall receive no compensation for
16 services but shall be entitled to reimbursement for all
17 reasonable and necessary actual expenses in accordance with
18 guidelines developed by the agency.

19 (f) Meetings.--The committee shall meet at least quarterly
20 on a date determined by a majority of the committee.

21 (g) Quorum.--A majority of the members of the committee
22 shall constitute a quorum. A vote of the majority of the members
23 present shall be sufficient to adopt a proposal or take other
24 action.

25 (h) Elected office.--At no time may a member seek or hold a
26 position as an elected public official in the Commonwealth. At
27 no time shall a current employee of the agency or a current
28 member of the board be appointed to the committee.

29 (i) Powers and duties.--The committee shall have the
30 authority to:

1 (1) Participate in the development of guidelines for
2 programs carried out under this article.

3 (2) Recommend program and funding activities.

4 (3) Identify and recommend annual funding priorities.

5 (4) Solicit public comment on proposed programs and
6 guidelines in writing or at meetings conducted throughout
7 this Commonwealth.

8 (5) Establish priorities and programs for the use of 30%
9 of funds appropriated to the program.

10 (6) Make recommendations to the board regarding
11 priorities and programs for the use of 70% of the funds
12 appropriated to the program.

13 (7) Evaluate impact and results of the program.

14 (8) Advise the agency on new program development.

15 (j) Documents.--The committee, on a semi-annual basis, may
16 request and review documentation from the agency relating to the
17 program for the previous six-month period.

18 Section 405-D. Plan.

19 (a) General rule.--Within 90 days of the effective date of
20 this section and by March 15 of each year thereafter, the agency
21 shall adopt a plan which establishes the agency's priorities for
22 that year and sets forth the method in which the funds will be
23 distributed that year.

24 (b) Publication.--The proposed plan, including a comment
25 response document, shall be submitted to the chair and minority
26 chair of the Urban Affairs and Housing Committee in the Senate
27 and the chair and minority chair of the Commerce Committee in
28 the House of Representatives, published in the Pennsylvania
29 Bulletin and published on the agency's Internet website for
30 public comment no later than 45 days prior to its adoption under

1 subsection (a). All comments submitted to the agency in writing
2 shall be public records and shall be incorporated into the
3 comment response document.

4 Section 406-D. Reporting.

5 Within 90 days following the close of the first calendar year
6 after the effective date of this article and by July 1 of every
7 year thereafter, the agency shall issue a report containing a
8 financial statement, an itemized list of projects funded and a
9 description of other expenditures in the preceding calendar
10 year. The report shall be submitted to the Governor, the Auditor
11 General and the chair and minority chair of the Urban Affairs
12 and Housing Committee in the Senate and the chair and minority
13 chair of the Commerce Committee in the House of Representatives
14 and published on the agency's Internet website. The report shall
15 be a public record.

16 Section 407-D. Account.

17 There is hereby established in the State Treasury a
18 restricted receipt account. All appropriations and other funds
19 allocated to the program shall be deposited in the account.
20 Interest and any unspent appropriations in the account shall
21 remain in the account.

22 Section 408-D. Applicability.

23 (a) Funds expended under this article shall not be subject
24 to the act of August 15, 1961 (P.L.987, No.442), known as the
25 Pennsylvania Prevailing Wage Act.

26 (b) The committee shall be subject to the provisions of 65
27 Pa.C.S. Ch. 7 (relating to open meetings).

28 Section 2. This act shall take effect in 90 days.