

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 2600** Session of  
2008

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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,  
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SHIMKUS, SIPTROTH, SOLOBAY, STABACK, J. TAYLOR, WALKO,  
J. WHITE, WOJNAROSKI, YOUNGBLOOD, YUDICHAK, COHEN, R. MILLER,  
SHAPIRO, HESS AND MARSHALL, JUNE 17, 2008

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AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,  
SEPTEMBER 24, 2008

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## 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

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

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

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

19 ARTICLE IV-D

20 PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION

21 ENHANCEMENT PROGRAM

22 Section 401-D. Definitions.

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

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

29 "Program." The Pennsylvania Housing Affordability and  
30 Rehabilitation Enhancement Program established under section  
31 402-D.

32 Section 402-D. Establishment.

33 There is hereby established the Pennsylvania Housing  
34 Affordability and Rehabilitation Enhancement Program to be  
35 administered by the agency. THE PROGRAM IS DEPENDENT UPON FUNDS <—  
36 AVAILABLE IN THE ACCOUNT.

1 Section 403-D. Program.

2 (a) Project types.--The program shall MAY provide funding <—  
3 for the following:

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

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

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

11 (4) Projects to prevent or reduce homelessness.

12 (5) Projects to encourage the development and  
13 rehabilitation of distressed neighborhoods.

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

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

21 (b) Purposes.--Moneys for projects under subsection ~~(b)~~ (A) <—  
22 may be used for the following:

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

26 (2) Acquisition and disposition of real or personal  
27 property.

28 (3) Site preparation, including demolition of existing  
29 structures and remediation of environmental conditions.

30 (4) Construction, reconstruction, alteration and repair

1 of existing structures, improvements and infrastructure.

2 (c) Matching funds.--Funds appropriated to the program may  
3 be used for a set-aside for matching funds for counties that  
4 have established optional county affordable housing funds under  
5 53 Pa.C.S. Ch. 60 (relating to optional affordable housing  
6 funding). In order to receive matching funds under this  
7 subsection, a county must annually report detailed information  
8 as required by the agency on the use of the funds for county  
9 projects. The information shall be included in the agency's  
10 report under section 405-D.

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

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

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

24 (g) Funding for housing program.--The agency shall make  
25 available 30% of the funds appropriated under this article for a <—  
26 housing program HOUSING PROGRAMS benefiting households with <—  
27 household incomes which are less than 50% of the median area  
28 income.

29 Section 404-D. Plan.

30 (a) General rule.--Within 90 days of the effective date of

1 this section and by March 15 of each year thereafter, the agency  
2 shall adopt a plan which establishes the agency's priorities for  
3 that year and sets forth the method in which the funds will be  
4 distributed that year.

5 (b) Publication.--The proposed plan, including a comment  
6 response document, shall be submitted to the chair and minority  
7 chair of the Urban Affairs and Housing Committee in the Senate  
8 and the chair and minority chair of the Commerce Committee in  
9 the House of Representatives, published in the Pennsylvania  
10 Bulletin and published on the agency's Internet website for  
11 public comment no later than 45 days prior to its adoption under  
12 subsection (a). All comments submitted to the agency in writing  
13 shall be public records and shall be incorporated into the  
14 comment response document.

15 Section 405-D. Reporting.

16 Within 90 days following the close of the first calendar year  
17 after the effective date of this article and by July 1 of every  
18 year thereafter, the agency shall issue a report containing a  
19 financial statement, an itemized list of projects funded and a  
20 description of other expenditures in the preceding calendar  
21 year. The report shall be submitted to the Governor, the Auditor  
22 General and the chair and minority chair of the Urban Affairs  
23 and Housing Committee in the Senate and the chair and minority  
24 chair of the Commerce Committee in the House of Representatives  
25 and published on the agency's Internet website. The report shall  
26 be a public record.

27 Section 406-D. Account.

28 There is hereby established in the State Treasury a  
29 restricted receipt account KNOWN AS THE HOUSING AFFORDABILITY  
30 AND REHABILITATION ENHANCEMENT ACCOUNT. INTEREST AND ANY OTHER

<—

1 EARNINGS IN THE ACCOUNT SHALL REMAIN IN THE ACCOUNT. All  
2 appropriations and other funds allocated to the program shall be  
3 deposited in the account AND SHALL BE APPROPRIATED TO THE AGENCY <—  
4 ON A CONTINUING BASIS. Interest and any unspent appropriations <—  
5 in the account shall remain in the account.  
6 Section 407-D. Applicability (RESERVED). <—  
7 (a) Funds expended under this article shall not be subject <—  
8 to the act of August 15, 1961 (P.L.987, No.442), known as the  
9 Pennsylvania Prevailing Wage Act.  
10 (b) The committee shall be subject to the provisions of 65  
11 Pa.C.S. Ch. 7 (relating to open meetings).  
12 Section 2. This act shall take effect in 90 days.