## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL No. 1400 Session of 2008

INTRODUCED BY PIPPY, KITCHEN, FONTANA, RAFFERTY, CORMAN, FUMO, GORDNER, LOGAN, BROWNE, ERICKSON, O'PAKE, MADIGAN, ROBBINS, COSTA, A. WILLIAMS, C. WILLIAMS, PUNT, RHOADES, WOZNIAK, DINNIMAN, KASUNIC, STOUT, STACK, PILEGGI, GREENLEAF, LAVALLE AND FERLO, MAY 12, 2008

SENATOR ARMSTRONG, APPROPRIATIONS, RE-REPORTED AS AMENDED, SEPTEMBER 23, 2008

## AN ACT

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 moderate income and alleviating shortages thereof, and by 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 powers and duties and the manner in which its funds are kept 11 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, prescribing interest rates and other terms of housing loans, 16 17 permitting the agency to acquire real or personal property, permitting the agency to make agreements with financial 18 19 institutions and Federal agencies, providing for the purchase 20 by persons of low and moderate income of housing units, and approving the sale of housing units, permitting the agency to 21 sell housing loans, providing for the promulgation of 22 23 regulations and forms by the agency, prescribing penalties 24 for furnishing false information, empowering the agency to 25 borrow money upon its own credit by the issuance and sale of 26 bonds and notes and by giving security therefor, permitting the refunding, redemption and purchase of such obligations by 27 the agency, prescribing remedies of holders of such bonds and 28 notes, exempting bonds and notes of the agency, the income 29 therefrom, and the income and revenues of the agency from 30

- 1 taxation, except transfer, death and gift taxes; making such
- 2 bonds and notes legal investments for certain purposes; and
- indicating how the act shall become effective, providing for
- 4 the Pennsylvania Housing Affordability and Rehabilitation
- 5 Enhancement Program.
- 6 The General Assembly of the Commonwealth of Pennsylvania
- 7 hereby enacts as follows:
- 8 Section 1. The act of December 3, 1959 (P.L.1688, No.621),
- 9 known as the Housing Finance Agency Law, is amended by adding an
- 10 article to read:
- 11 ARTICLE IV-D
- 12 PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION
- 13 <u>ENHANCEMENT PROGRAM</u>
- 14 <u>Section 401-D. Definitions.</u>
- The following words and phrases when used in this article
- 16 shall have the meanings given to them in this section unless the

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- 17 <u>context clearly indicates otherwise:</u>
- 18 <u>"Committee." The Community Advisory Committee.</u>
- 19 <u>"Persons with disabilities." Individuals with physical,</u>
- 20 sensory or mental impairment that substantially limits one or
- 21 more major life activities.
- 22 "Program." The Pennsylvania Housing Affordability and
- 23 Rehabilitation Enhancement Program established under section
- 24 402-D.
- 25 Section 402-D. Establishment.
- There is hereby established the Pennsylvania Housing
- 27 Affordability and Rehabilitation Enhancement Program to be
- 28 administered by the agency.
- 29 Section 403-D. Program.
- 30 (a) Funding. The sum of \$10,000,000 shall be annually
- 31 appropriated to the account established under section 407 D to
- 32 fund the program set forth under this article.

- 1 (A) FUNDING.--THE PROGRAM SHALL BE FUNDED BY APPROPRIATIONS
- 2 BY THE GENERAL ASSEMBLY FOR THAT PURPOSE OR OTHER SOURCES AS
- 3 PROVIDED BY LAW.
- 4 (b) Project types.--The program shall provide funding for
- 5 the following:
- 6 (1) Projects to provide safe and sanitary dwellings for
- 7 <u>sale or rent to low-income and moderate-income individuals or</u>
- 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 <u>accessible housing for individuals with disabilities.</u>
- 13 (4) Projects to prevent or reduce homelessness.
- 14 (5) Projects to encourage the development and
- rehabilitation of distressed neighborhoods.
- 16 (6) Projects to provide mortgage or rental assistance,
- 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 <u>families who are owner-occupants for repairs and improvement</u>
- 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 <u>market studies, project planning, architectural services,</u>
- 27 legal and engineering studies and related fees.
- 28 (2) Acquisition and disposition of real or personal
- 29 <u>property.</u>
- 30 (3) Site preparation, including demolition of existing

- structures and remediation of environmental conditions.
- 2 (4) Construction, reconstruction, alteration and repair
- 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 <u>funding</u>). In order to receive matching funds under this
- 9 <u>subsection</u>, 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 405-D.
- (e) Limitation. -- Funds appropriated to the program shall not
- 14 supplant existing resources dedicated to affordable housing
- 15 <u>activities</u>. 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 <u>design strategies</u>, or that target identified needs.
- 22 (q) 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 (H) FUNDING FOR HOUSING PROGRAM. -- THE AGENCY SHALL MAKE
- 27 AVAILABLE 30% OF THE FUNDS APPROPRIATED UNDER THIS ARTICLE FOR
- 28 HOUSING PROGRAMS BENEFITING HOUSEHOLDS WITH HOUSEHOLD INCOMES
- 29 WHICH ARE LESS THAN 50% OF THE MEDIAN AREA INCOME.
- 30 Section 404 D. Community Advisory Committee.

Τ	(a) Establishment of committee. There is hereby established
2	the Community Advisory Committee to be comprised of the
3	<u>following:</u>
4	(1) Two members representing nonprofit developers of
5	affordable housing appointed by the agency, such as
6	representatives of housing authorities, redevelopment
7	authorities, community development corporations and housing
8	counseling agencies.
9	(2) Two members representing for profit developers of
10	affordable housing appointed by the agency, such as builders,
11	producers of manufactured housing, financial institutions and
12	real estate professionals.
13	(3) Two members representing Statewide housing advocacy
14	groups appointed by the agency, such as community action
15	agencies, providers of services to persons who are homeless,
16	nursing homes and legal service providers who assist low
17	income persons.
18	(4) One member appointed by the Governor.
19	(5) One member appointed by the President pro tempore of
20	the Senate.
21	(6) One member appointed by the Minority Leader of the
22	<u>Senate.</u>
23	(7) One member appointed by the Majority Leader of the
24	<u>House of Representatives.</u>
25	(8) One member appointed by the Minority Leader of the
26	<u>House of Representatives.</u>
27	(b) Term of office. Members shall be appointed within 60
28	days of the effective date of this section and the following
29	shall apply:
30	(1) Members initially appointed by the agency shall

- 1 serve for terms of one, two and three years, respectively, as
- 2 <u>designated at the time of appointment. Thereafter, the term</u>
- 3 shall be three years.
- 4 (2) Members appointed under subsection (a)(4), (5), (6),
- 5 (7) or (8) shall serve a term that is coterminous with that
- 6 <u>of the appointing authority.</u>
- 7 (3) A member shall serve until his successor is
- 8 appointed.
- 9 <u>(c) Member expertise. Members shall have knowledge in the</u>
- 10 development or provision of affordable housing or in providing
- 11 service to low income and moderate income individuals and
- 12 <u>families</u>. Appointments by the agency shall be from lists of
- 13 qualified individuals submitted by the appropriate Statewide
- 14 organization.
- 15 (d) Vacancy. The appointing authority shall appoint a
- 16 <u>successor member within 45 days of a vacancy. A person appointed</u>
- 17 to fill a vacant committee position shall serve for the
- 18 remainder of the unexpired term.
- 19 (e) Compensation. Members shall receive no compensation for
- 20 services but shall be entitled to reimbursement for all
- 21 reasonable and necessary actual expenses in accordance with
- 22 quidelines developed by the agency.
- 23 (f) Meetings. The committee shall meet at least quarterly
- 24 on a date determined by a majority of the committee.
- 25 (q) Ouorum. A majority of the members of the committee
- 26 shall constitute a quorum. A vote of the majority of the members
- 27 present shall be sufficient to adopt a proposal or take other
- 28 <u>action.</u>
- 29 (h) Elected office. At no time may a member seek or hold a
- 30 position as an elected public official in the Commonwealth. At

1	no time shall a current employee of the agency or a current
2	member of the board be appointed to the committee.
3	(i) Powers and duties. The committee shall have the
4	authority to:
5	(1) Participate in the development of guidelines for
6	programs carried out under this article.
7	(2) Recommend program and funding activities.
8	(3) Identify and recommend annual funding priorities.
9	(4) Solicit public comment on proposed programs and
10	guidelines in writing or at meetings conducted throughout
11	this Commonwealth.
12	(5) Establish priorities and programs for the use of 30%
13	of funds appropriated to the program.
14	(6) Make recommendations to the board regarding
15	priorities and programs for the use of 70% of the funds
16	appropriated to the program.
17	(7) Evaluate impact and results of the program.
18	(8) Advise the agency on new program development.
19	(j) Documents. The committee, on a semi annual basis, may
20	request and review documentation from the agency relating to the
21	program for the previous six month period.
22	<u>Section 405 D</u> 404-D. <u>Plan.</u> <-
23	(a) General rule Within 90 days of the effective date of
24	this section and by March 15 of each year thereafter, the agency
25	shall adopt a plan which establishes the agency's priorities for
26	that year and sets forth the method in which the funds will be
27	distributed that year.
28	(b) Publication The proposed plan, including a comment
29	response document, shall be submitted to the chair and minority
30	chair of the Urban Affairs and Housing Committee in the Senate

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- 1 and the chair and minority chair of the Commerce Committee in
- 2 the House of Representatives, published in the Pennsylvania
- 3 Bulletin and published on the agency's Internet website for
- 4 public comment no later than 45 days prior to its adoption under
- 5 subsection (a). All comments submitted to the agency in writing
- 6 shall be public records and shall be incorporated into the
- 7 comment response document.
- 8 Section 406 D 405-D. Reporting.
- 9 <u>Within 90 days following the close of the first calendar year</u>
- 10 after the effective date of this article and by July 1 of every
- 11 year thereafter, the agency shall issue a report containing a
- 12 <u>financial statement</u>, an itemized list of projects funded and a
- 13 <u>description of other expenditures in the preceding calendar</u>
- 14 year. The report shall be submitted to the Governor, the Auditor
- 15 General and the chair and minority chair of the Urban Affairs
- 16 and Housing Committee in the Senate and the chair and minority
- 17 <u>chair of the Commerce Committee in the House of Representatives</u>
- 18 and published on the agency's Internet website. The report shall
- 19 be a public record.
- 20 <u>Section 407 D</u> 406-D. Account.
- 21 There is hereby established in the State Treasury a
- 22 restricted receipt account. All appropriations and other funds
- 23 allocated to the program shall be deposited in the account.
- 24 Interest and any unspent appropriations in the account shall
- 25 remain in the account.
- 26 <u>Section 408 D. Applicability.</u>
- 27 (a) Funds expended under this article shall not be subject

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- 28 to the act of August 15, 1961 (P.L.987, No.442), known as the
- 29 <u>Pennsylvania Prevailing Wage Act.</u>
- 30 (b) The committee shall be subject to the provisions of 65

- 1 Pa.C.S. Ch. 7 (relating to open meetings).
- 2 Section 2. This act shall take effect in 90 days.