

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2174 Session of
2024

INTRODUCED BY FLEMING, HILL-EVANS, MADDEN, SANCHEZ, SCHLOSSBERG,
SIEGEL, CURRY, BOROWSKI, POWELL, PROBST, MERSKI, KINSEY, KIM,
DALEY, KRAJEWSKI, GREEN, CEPEDA-FREYTIZ, CERRATO, TAKAC AND
KHAN, APRIL 3, 2024

REFERRED TO COMMITTEE ON COMMERCE, APRIL 3, 2024

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes, in
3 Commonwealth Financing Authority, providing for Mixed-Use
4 Revitalization Program; and establishing the Mixed-Use
5 Revitalization Fund.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 64 of the Pennsylvania Consolidated
9 Statutes is amended by adding a section to read:

10 § 1559. Mixed-Use Revitalization Program.

11 (a) Establishment.--The Mixed-Use Revitalization Program is
12 established in the department to:

13 (1) Increase corridor mixed-use development, including
14 affordable housing opportunities throughout this
15 Commonwealth.

16 (2) Maximize the leveraging of private and public
17 resources.

18 (3) Foster sustainable partnerships committed to

1 addressing community needs.

2 (4) Ensure that program resources are used to meet
3 community needs effectively and efficiently.

4 (5) Provide grants to projects that involve the
5 acquisition, redevelopment and revitalization of distressed,
6 unoccupied and blighted properties, including existing and
7 former malls.

8 (b) Eligibility.--To be eligible for a grant, a developer
9 must agree to provide matching funds of at least 25% of the
10 grant amount for the development.

11 (c) Application.--The department shall make available to an
12 eligible developer an application that requires information as
13 determined necessary by the department, to verify the need for
14 the development and to determine the amount of the grant.

15 (d) Determination.--Upon a determination of eligibility for
16 a grant, the department shall provide the developer with a
17 letter of commitment indicating the conditional grant amount.

18 (e) Advance.--The department shall pay the grant directly to
19 the municipality in which the project is located, and the
20 municipality shall disburse the grant to the developer in
21 accordance with this section. The grant payment shall be
22 advanced simultaneously on a pro rata basis with the required
23 matching funds delivered by the developer at the time of closing
24 or during construction as draw requests which are presented in a
25 timely manner, whichever occurs first.

26 (f) Repayment obligation.--By submitting an application for
27 a grant, the developer agrees that, if the application is
28 approved and the grant is awarded, the developer shall repay up
29 to 50% of the principal amount of the grant to the Commonwealth
30 when the development:

1 (1) has achieved stabilization; and

2 (2) recognizes any excess proceeds available from any
3 poststabilization refinancing activities. All amounts due
4 under the applicant's duty of repayment under this subsection
5 shall be paid to the Commonwealth within 120 days of the end
6 of the preceding calendar year.

7 (g) Other funding sources.--The department may not deny
8 approval of a grant application solely for the reason that the
9 developer intends to combine the grant money with money from
10 other available Federal, State, local or county programs.

11 (h) Reporting.--The department shall provide a report
12 containing a list of the developments funded through the program
13 by July 1, 2025, to:

14 (1) The Governor.

15 (2) The Auditor General.

16 (3) The chairperson and minority chairperson of the
17 Urban Affairs and Housing Committee of the Senate and the
18 chairperson and minority chairperson of the Housing and
19 Community Development Committee of the House of
20 Representatives.

21 (4) The chairperson and minority chairperson of the
22 Community, Economic and Recreational Development Committee of
23 the Senate and the chairperson and minority chairperson of
24 the Commerce Committee of the House of Representatives.

25 (i) Establishment of fund.--The Mixed-Use Revitalization
26 Fund is established in the State Treasury. The fund shall be
27 used by the department for grants.

28 (j) Definitions.--As used in this section, the following
29 words and phrases shall have the meanings given to them in this
30 subsection unless the context clearly indicates otherwise:

1 "Department." The Department of Community and Economic
2 Development of the Commonwealth.

3 "Developer." A person that submits an application for a
4 grant.

5 "Development." A planned commercial and mixed-use project
6 that:

7 (1) Is situated on at least 15 acres.

8 (2) Is located in a low-income to moderate-income area.

9 (3) Contains at least 200,000 square feet of proposed
10 development that has not received a certificate of occupancy
11 as of the effective date of this paragraph.

12 "Grant." A grant awarded under this section.

13 "Program." The Mixed-Use Revitalization Program established
14 under this section.

15 "Stabilization." The point at which a development secures
16 conventional financing at terms that can support a debt service
17 coverage ratio of one and three tenths to one.

18 Section 2. This act shall take effect in 60 days.