

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2181 Session of  
2000

INTRODUCED BY THOMAS, DALEY, PISTELLA, CALTAGIRONE, M. COHEN,  
RAMOS, ROBINSON, WASHINGTON AND YOUNGBLOOD, JANUARY 18, 2000

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JANUARY 18, 2000

AN ACT

1 Amending the act of May 20, 1949 (P.L.1633, No.493), entitled,  
2 as amended, "An act providing and regulating State assistance  
3 for housing and redevelopment, including comprehensive  
4 programs for the development of entire sections or  
5 neighborhoods; and making an appropriation," further  
6 providing for procedures and for contracts; and making an  
7 editorial change.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. Section 3 of the act of May 20, 1949 (P.L.1633,  
11 No.493), known as the Housing and Redevelopment Assistance Law,  
12 reenacted and amended April 12, 1956 (1955 P.L.1449, No.477) and  
13 amended November 24, 1967 (P.L.541, No.265), is amended to read:

14 Section 3. Definitions.--The following words, terms and  
15 phrases, where used or referred to in this act, shall have the  
16 meanings ascribed to them in this section except in those  
17 instances where the context clearly indicates a different  
18 meaning.

19 (a) "Aggregate Income," the total annual income of all  
20 occupants of a rental unit, less an exemption of one hundred

1 dollars (\$100) for each minor occupying the rental unit or  
2 receiving his main support from the lessee. Of such total annual  
3 income not more than ten per cent shall be interest or income  
4 from capital investments.

5 (b) "Department," the Department of [Commerce] Community and  
6 Economic Development of the Commonwealth.

7 (c) "Housing Project" or "Project," any work or undertaking  
8 initiated pursuant to section 4 (a) of this act to provide  
9 decent, safe and sanitary urban or rural dwellings, apartments  
10 or other living accommodations for persons of limited income.  
11 Such work or undertaking may include acquisition of land and its  
12 clearance, building construction and the necessary equipment,  
13 facilities and other property or rights, including convenient or  
14 desirable appurtenances, streets, sewers, water services, parks,  
15 site preparation, gardening, for administrative, community,  
16 health, recreational, educational, welfare or other purposes.  
17 The term "Housing Project" or "Project" may be applied to the  
18 planning of the buildings and improvements, the acquisition of  
19 property, the demolition of existing structures, the  
20 construction, reconstruction, alteration, and repair of existing  
21 improvements, and all other work in connection therewith.

22 (d) "Net Rental," annual rent per dwelling unit, not  
23 including the value or cost of water, electricity,  
24 refrigeration, or heating and cooking fuels.

25 (e) "Redevelopment Authority," a public body corporate and  
26 politic, organized and existing by virtue of the Urban  
27 Redevelopment Law, the act of May twenty-fourth, one thousand  
28 nine hundred forty-five (Pamphlet Laws 991).

29 (f) "Veteran," a person who has served in the active  
30 military or naval service of the United States at any time on or

1 after September sixteenth, one thousand nine-hundred forty, and  
2 prior to July twenty-sixth, one thousand nine hundred forty-  
3 seven, and who shall have been discharged or released therefrom  
4 under conditions other than dishonorable. "Families of  
5 Veterans," shall include the families of persons who died as the  
6 result of service in the armed forces of the United States  
7 between the above mentioned dates.

8 (g) "Redevelopment," any work or undertaking of a  
9 redevelopment authority created pursuant to the Urban  
10 Redevelopment Law of this Commonwealth, including comprehensive  
11 programs for the development of entire sections or  
12 neighborhoods.

13 (h) "Municipality," any county, city, borough, incorporated  
14 town or township.

15 Section 2. Sections 8 and 11 of the act are amended to read:

16 Section 8. Procedures.--The department, subject to the  
17 approval of the Governor, shall tentatively allocate to the  
18 several areas of the Commonwealth, as designated by the  
19 department, such capital grants, as may promote aid, or  
20 stimulate the erection of housing or the effectuation of  
21 redevelopment within that area.

22 In the determination of such tentative allocations the  
23 department shall be guided by the following standards:  
24 population distribution pattern, growth as determined by the  
25 department in the period since one thousand nine hundred forty,  
26 trends of industry and such evidence of housing or redevelopment  
27 needs throughout the State as are available to the department.

28 The department shall publicize in each area concerned the  
29 tentative allocation of State subsidy funds for the stimulation  
30 of housing construction or redevelopment in that area, in each

1 case making every reasonable effort to inform officials of  
2 political subdivisions and representatives of agencies such as  
3 those enumerated in section 4 of this act as possible  
4 participants in this program.

5 Each such political subdivision or agency evidencing within a  
6 reasonable period of time, as determined by the department, an  
7 interest in participating in the program, with accompanying  
8 proof of local housing or redevelopment need, recommendation of  
9 a suitable and available site, information as to community  
10 attitude and evidence that the municipality is recognizing its  
11 housing and redevelopment needs by enforcing the laws concerning  
12 building construction and sanitation, and other pertinent  
13 supporting data, shall have its request reviewed in the light of  
14 other requests from that area and the total amount of tentative  
15 allocations for the area. After review by the department, and if  
16 a housing project is involved, and if the need and feasibility  
17 of the proposed project has been demonstrated and where a  
18 suitable site is available and where adequate funds are  
19 available for allocation, the department shall accept bids on  
20 housing construction and operation proposals covering such  
21 number and character of housing units, type of construction,  
22 site, rental ranges proposed, and such other requirements as are  
23 established by the department. Each bid submitted shall  
24 stipulate the amount of State subsidy which would be required by  
25 the bidder to construct and operate the housing projects in  
26 accordance with the before mentioned requirements of the  
27 department.

28 If the tentative allocation of grants in any area in the  
29 State does not energize action resulting in acceptable proposals  
30 within a reasonable time, as determined by the department, the

1 department shall have power to reallocate, with the approval of  
2 the Governor, these grants to other areas in the Commonwealth,  
3 which as determined by the before mentioned standards, have  
4 effectively established an urgent need for additional housing  
5 facilities or redevelopment programs. Unused portions of these  
6 reallocations may be similarly reallocated at later dates so as  
7 to effectuate the purposes of this act.

8 [In order to effectuate and enforce the provisions of this  
9 act, the department is authorized to promulgate necessary rules  
10 and regulations.]

11 The department shall, consistent with the act of June 25,  
12 1982 (P.L.633, No.181), known as the "Regulatory Review Act,"  
13 promulgate regulations that specify the procedures by which  
14 bidder requests are accepted, reviewed and approved, grant  
15 allocations are made and grant payments disbursed. The  
16 provisions of section 204 of the act of July 31, 1968 (P.L.769,  
17 No.240), referred to as the Commonwealth Documents Law, shall  
18 not apply to regulations promulgated under this section.

19 Section 11. Contracts.--No State funds for capital grants  
20 under the provisions of section 4 (a) of this act shall be  
21 disbursed until the department, after ratification of the bid by  
22 the Governor, as specified in section ten, has entered into a  
23 contract with the bidder embodying suitable guarantees as to the  
24 erection, maintenance and management of the proposed housing  
25 project in accordance with the purposes of this act, and  
26 including provision for--

27 (1) the termination of the Commonwealth's powers and  
28 responsibilities with respect to said project after a specified  
29 term of not less than twenty-eight years;

30 (2) an agreement that the bidder shall not voluntarily

1 subject the premises to any lien or mortgage other than such as  
2 may be specified in the contract and that any transfer of the  
3 project or any assignment of investor's interest under the  
4 agreement shall be subject to all the terms of the contract and  
5 this act and shall not relieve the investor of the investor's  
6 obligations under the contract;

7 (3) provisions that the scale of rentals and tenant income  
8 limitations originally agreed upon may at some later date be  
9 modified by action of the department, upon petition by the  
10 bidder, so as to recognize charges in general or local economic  
11 conditions; [and]

12 (3.1) an agreement that the bidder shall file an annual  
13 report with the Senate and the House of Representatives  
14 describing the manner in which the capital grants have been  
15 expended; and

16 (4) such other provisions as the department determines are  
17 necessary to carry out the purposes of this act.

18 Section 3. This act shall take effect in 60 days.