

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, YUDICHAK, COHEN, R. MILLER,
SHAPIRO, HESS AND MARSHALL, JUNE 17, 2008

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, SEPTEMBER 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

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 ~~"Committee." The Community Advisory Committee.~~

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

30 "Program." The Pennsylvania Housing Affordability and
31 Rehabilitation Enhancement Program established under section
32 402-D.

33 Section 402-D. Establishment.

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

1 Section 403-D. Program.

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

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

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

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

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

14 (4) Projects to prevent or reduce homelessness.

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

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

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

24 (c) (B) Purposes.--Moneys for projects under subsection (b) <—
25 may be used for the following:

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

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

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

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

5 ~~(d)~~ (C) Matching funds.--Funds appropriated to the program <—
6 may be used for a set-aside for matching funds for counties that
7 have established optional county affordable housing funds under
8 53 Pa.C.S. Ch. 60 (relating to optional affordable housing
9 funding). In order to receive matching funds under this
10 subsection, a county must annually report detailed information
11 as required by the agency on the use of the funds for county
12 projects. The information shall be included in the agency's
13 report under section 406-D 405-D. <—

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

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

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

27 (G) FUNDING FOR HOUSING PROGRAM.--THE AGENCY SHALL MAKE <—
28 AVAILABLE 30% OF THE FUNDS APPROPRIATED UNDER THIS ARTICLE FOR A
29 HOUSING PROGRAM BENEFITING HOUSEHOLDS WITH HOUSEHOLD INCOMES
30 WHICH ARE LESS THAN 50% OF THE MEDIAN AREA INCOME.

~~Section 404 D. Community Advisory Committee.~~

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

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

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

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

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

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

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

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

~~(h) Elected office. At no time may a member seek or hold a~~

~~position as an elected public official in the Commonwealth. At
no time shall a current employee of the agency or a current
member of the board be appointed to the committee.~~

~~(i) Powers and duties. The committee shall have the
authority to:~~

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

~~(2) Recommend program and funding activities.~~

~~(3) Identify and recommend annual funding priorities.~~

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

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

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

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

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

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

~~Section 405-D 404-D. Plan.~~

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

~~(b) Publication.--The proposed plan, including a comment
response document, shall be submitted to the chair and minority~~

chair of the Urban Affairs and Housing Committee in the Senate and the chair and minority chair of the Commerce Committee in the House of Representatives, published in the Pennsylvania Bulletin and published on the agency's Internet website for public comment no later than 45 days prior to its adoption under subsection (a). All comments submitted to the agency in writing shall be public records and shall be incorporated into the comment response document.

Section ~~406-D~~ 405-D. Reporting.

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

Section ~~407-D~~ 406-D. Account.

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

Section ~~408-D~~ 407-D. Applicability.

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

1 (b) The committee shall be subject to the provisions of 65
2 Pa.C.S. Ch. 7 (relating to open meetings).
3 Section 2. This act shall take effect in 90 days.