

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 60 Session of  
2009

INTRODUCED BY DALEY, HESS, THOMAS, LONGIETTI, SIPTROTH, ADOLPH, BEAR, BELFANTI, BEYER, BISHOP, BRENNAN, BUXTON, CALTAGIRONE, CARROLL, CONKLIN, P. COSTA, DEASY, DePASQUALE, DERMODY, DONATUCCI, FABRIZIO, FRANKEL, FREEMAN, GEIST, GEORGE, GIBBONS, GOODMAN, GRUCELA, HALUSKA, HARKINS, HELM, HENNESSEY, HORNAMAN, JOSEPHS, KIRKLAND, KORTZ, KULA, LENTZ, MANDERINO, MANN, MARSHALL, McCALL, MELIO, MICOZZIE, MILLER, M. O'BRIEN, PASHINSKI, PAYTON, PRESTON, READSHAW, REICHLEY, ROSS, SANTONI, SCAVELLO, SOLOBAY, STABACK, WALKO, WHITE, YUDICHAK, MUNDY, PHILLIPS, DeLUCA, KILLION, JOHNSON, HARHAI, PETRARCA, GINGRICH, QUINN, MATZIE, PARKER, K. SMITH, MAHONEY, BRIGGS, CLYMER, MURT, HOUGHTON, WANSACZ, DeWEESE, McGEEHAN, MIRABITO, SAMUELSON, HARHART, D. COSTA, STURLA, M. SMITH, MICCARELLI, WAGNER, BRADFORD, BARBIN, FARRY AND SANTARSIERO, JANUARY 30, 2009

AS RE-REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 19, 2010

## 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

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

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

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

22 ARTICLE IV-D

23 PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION

24 ENHANCEMENT PROGRAM

25 Section 401-D. Definitions.

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

29 "Fund." The Housing Affordability and Rehabilitation  
30 Enhancement Fund established in section 406-D.

31 "Persons with disabilities." Individuals with physical,  
32 sensory or mental impairment that substantially limits one or  
33 more major life activities.

34 "Program." The Pennsylvania Housing Affordability and  
35 Rehabilitation Enhancement Program established in section 402-D.

36 Section 402-D. Establishment.

37 There is established the Pennsylvania Housing Affordability  
38 and Rehabilitation Enhancement Program to be administered by the

1 agency. The program is dependent upon funds available in the  
2 fund.

3 Section 403-D. Program.

4 (a) Project types.--The program may provide funding for the  
5 following:

6 (1) Projects to provide safe and sanitary dwellings for  
7 sale or rent to low-income and moderate-income individuals or  
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 accessible housing for persons with disabilities.

13 (4) Projects to prevent or reduce homelessness.

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

16 (6) Projects to provide mortgage or rental assistance,  
17 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 families who are owner-occupants for repairs and improvement  
22 to sustain or increase the conditions of the home.

23 (b) Purposes.--Money for projects under subsection (a) may  
24 be used for the following:

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

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

30 (3) Site preparation, including demolition of existing

1 structures and remediation of environmental conditions.

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

4 (c) 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 funding). In order to receive matching funds under this  
9 subsection, 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 405-D.

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

18 (e) 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 design strategies, or that target identified needs.

22 (f) 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 (g) 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. Plan.

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

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

16 Section 405-D. Reporting.

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

28 Section 406-D. Fund.

29     (a) Establishment.--There is established in the State  
30 Treasury the Housing Affordability and Rehabilitation

1 Enhancement Fund. Interest and any other earnings in the fund  
2 shall remain in the fund. All moneys allocated to the program  
3 shall be deposited in the fund. Moneys in the fund and the  
4 interest accruing thereon are hereby appropriated to the agency  
5 on a continuing basis to carry out the provisions of this  
6 article.

7 (b) Federal allocations.--All allocations distributed to and  
8 grants received by this Commonwealth from the United States  
9 Department of Housing and Urban Development pursuant to the  
10 Housing Trust Fund, established in section 1338 of the Housing  
11 and Economic Recovery Act of 2008 (Public Law 110-289, 122 Stat.  
12 2654), are deposited to the fund to be administered by the  
13 Pennsylvania Housing Finance Agency consistent with this article  
14 and applicable Federal law.

15 Section 407-D. Funding.

16 ~~Implementation of this article is contingent upon sufficient~~ ←  
17 ~~funds being appropriated by the General Assembly or being~~  
18 ~~received from the Federal Government to carry out the purposes~~  
19 ~~of this article.~~ IMPLEMENTATION OF THIS ARTICLE IS CONTINGENT ←  
20 UPON SUFFICIENT FUNDS BEING RECEIVED FROM THE FEDERAL GOVERNMENT  
21 THAT ARE SUBSEQUENTLY DEPOSITED IN THE FUND IN ACCORDANCE WITH  
22 SECTION 406-D(B) TO CARRY OUT THE PURPOSES OF THIS ARTICLE. NO  
23 COMMONWEALTH FUNDS SHALL BE USED TO IMPLEMENT THE PURPOSES OF  
24 THIS ARTICLE. IN A YEAR IN WHICH CONGRESS FAILS TO APPROVE  
25 FEDERAL FUNDS OR THERE ARE INSUFFICIENT FEDERAL FUNDS DEPOSITED  
26 INTO THE FUND FOR THE PURPOSES OUTLINED IN THIS ARTICLE, THE  
27 PROGRAM SHALL CEASE UNTIL SUFFICIENT FEDERAL FUNDS ARE  
28 APPROPRIATED.

29 Section 2. This act shall take effect in 90 days.