

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1135 Session of 2022

INTRODUCED BY SAVAL, FONTANA, KANE, KEARNEY, MUTH, CAPPELLETTI, COSTA, HUGHES, COMITTA, STREET, TARTAGLIONE, HAYWOOD, COLLETT, BREWSTER, SCHWANK, L. WILLIAMS, SANTARSIERO, FLYNN, A. WILLIAMS, BOSCOLA, BROWNE, ARGALL, LAUGHLIN, VOGEL AND SCAVELLO, MARCH 7, 2022

SENATOR BROWNE, APPROPRIATIONS, RE-REPORTED AS AMENDED, JULY 7, 2022

AN ACT

1 Providing for funding to address habitability concerns in owner-
2 occupied and rental units, measures to improve energy or
3 water efficiency and make units accessible for individuals
4 with disabilities, and removing barriers to affordability of
5 homeownership; establishing the Whole-Home Repairs and
6 Homeownership Affordability Program, the Student Housing
7 Repurpose Program, the Whole-Home Repairs and Homeownership
8 Affordability Fund and the Housing Stabilization Initiative
9 Fund; and imposing duties on the Department of Community and
10 Economic Development and the Commonwealth Financing
11 Authority.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Short title.

15 This act shall be known and may be cited as the Housing
16 Stabilization Initiative Act.

17 Section 2. Definitions.

18 The following words and phrases when used in this act shall
19 have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

1 "Affordable units." Units where rents are affordable to
2 tenants at or below 60% of area median income, adjusted for
3 household size, as defined annually by the Pennsylvania Housing
4 Finance Agency's PennHOMES County-wide Limits.

5 "Authority." The Commonwealth Financing Authority.

6 "Board." The board of the Commonwealth Financing Authority.

7 "Code." A building, housing, property maintenance, fire,
8 health or other public safety ordinance, related to the use or
9 maintenance of real property, enacted by a municipality. The
10 term does not include a subdivision and land development
11 ordinance or a zoning ordinance enacted by a municipality.

12 "Corporation." A corporation or joint stock association
13 organized under the laws of this Commonwealth, the United States
14 or any other state, territory or foreign country or dependency.

15 "County applicant." A nonprofit or governmental entity that
16 serves one or more counties.

17 "Court." The appropriate court of common pleas.

18 "Department." The Department of Community and Economic
19 Development of the Commonwealth.

20 "Disabilities." As the term "handicap or disability" is
21 defined in section 4 of the act of October 27, 1955 (P.L.744,
22 No.222), known as the Pennsylvania Human Relations Act.

23 "Existing home repair programs." Programs administered by
24 nonprofit organizations, governmental entities and public
25 utilities, or the contractors and assignees of such entities,
26 that provide services to repair residential housing that are
27 funded in accordance with or through, but not exclusively
28 limited to, the following programs:

29 (1) The weatherization assistance programs administered
30 as a part of the programs authorized under the Low-Income

1 Home Energy Assistance Act of 1981 (Public Law 97-35, 42
2 U.S.C. § 8621 et seq.) or the Energy Conservation in Existing
3 Buildings Act of 1976 (Public Law 94-385, 42 U.S.C. § 6851 et
4 seq.).

5 (2) The Community Development Block Grant Program under
6 Title I of the Housing and Community Development Act of 1974
7 (Public Law 93-383, 88 Stat. 633), as amended.

8 (3) The HOME program under the act of December 18, 1992
9 (P.L.1376, No.172), known as the Pennsylvania Affordable
10 Housing Act.

11 (4) The Medical Assistance Community HealthChoices
12 Program.

13 (5) The Pennsylvania Housing Affordability and
14 Rehabilitation Enhancement Program under Article IV-D of the
15 act of December 3, 1959 (P.L.1688, No.621), known as the
16 Housing Finance Agency Law.

17 (6) The Keystone Communities Program administered by the
18 department.

19 (7) Low-income usage reduction programs established
20 under 52 Pa. Code Ch. 58 (relating to residential low income
21 usage reduction programs).

22 (8) The Energy Efficiency and Conservation Program
23 established under 66 Pa.C.S. § 2806.1(b)(1)(i)(G) (relating
24 to energy efficiency and conservation program).

25 "Fund." The Whole-Home Repairs and Homeownership
26 Affordability Fund established under section 5.

27 "Habitability concerns." Home repairs that are required to
28 ensure residential units are any of the following:

29 (1) Fit for human habitation.

30 (2) Free from defective conditions or health and safety

1 hazards, including asbestos, mold, pests or lead.

2 (3) Free of conditions preventing installation of
3 measures to improve energy or water efficiency and lower
4 utility costs.

5 "Homeowner." A person who is any of the following:

6 (1) An owner of record evidenced by a publicly recorded
7 deed.

8 (2) An owner-occupant of a manufactured home who leases
9 a space in a manufactured home community.

10 (3) An equitable owner who can demonstrate an ownership
11 interest in a property as provided by law, including:

12 (i) A person who has inherited an interest in a
13 property.

14 (ii) A person who has entered a contract to purchase
15 a property.

16 (iii) A person who was the owner of record before a
17 fraudulent conveyance of the property.

18 (iv) A person who is a trust beneficiary and a
19 person holding a partial ownership interest in a property
20 such as tenancy by the entirety, joint tenancy, tenancy
21 in common and life estate.

22 "Matching funds." Cash or other investments from funding
23 sources other than the Whole-Home Repairs and Homeownership
24 Affordability Fund established under section 5.

25 "Program." The Whole-Home Repairs and Homeownership
26 Affordability Program established under section 3.

27 "Serious violation." A violation of a State law or code that
28 poses an imminent threat to the health and safety of a dwelling
29 occupant, occupants in surrounding structures or passersby.

30 "Small landlords." A person, who is a landlord, who has an

1 ownership stake in no more than five properties and no more than
2 15 rental units and rents those properties or units for use as a
3 primary residence for a fee, regardless of the length or form of
4 the lease.

5 "State law." A statute of the Commonwealth or a regulation
6 of an agency charged with the administration and enforcement of
7 Commonwealth laws.

8 "Substantial step." An affirmative action as determined by a
9 property code official or officer of the court on the part of a
10 small landlord or property managing agent to remedy a serious
11 violation of a State law or code, including physical
12 improvements or repairs to the property, which affirmative
13 action is subject to appeal in accordance with applicable law.

14 Section 3. Establishment.

15 The Whole-Home Repairs and Homeownership Affordability
16 Program is established within the department and shall be
17 administered by the department.

18 Section 4. Administration of program.

19 (a) Applications.--The department shall make available an
20 application for a county applicant to apply for funding under
21 the program. The application may be accepted electronically.

22 (b) Awarding of grants.--The department shall award grants
23 to no more than one county applicant per county for project
24 types under subsection (c) to be used for purposes under
25 subsection (d). The department shall award grants to no more
26 than one county applicant per county for project types under
27 subsection (e) to be used for the purposes under subsection (f).
28 This subsection shall not be construed to prohibit the
29 department from awarding more than one grant to a county
30 applicant to serve multiple counties.

1 (c) Home repair project types.--The program shall provide
2 funding for the following:

3 (1) To ensure owner-occupied and rental units are free
4 of habitability concerns.

5 (2) To improve coordination across existing home repair
6 programs.

7 (3) To increase retention in workforce development
8 programs.

9 (d) Purposes of money for home repair projects.--Money for
10 projects under subsection (c) shall be used for all of the
11 following:

12 (1) Grants and loans not to exceed \$50,000 per unit to
13 address habitability concerns, to improve energy or water
14 efficiency, and, where requested, to make units accessible
15 for individuals with disabilities through the provision of:

16 (i) Grants for homeowners whose household income
17 does not exceed 80% of the area median income.

18 (ii) Loans to small landlords renting affordable
19 units that are recorded against a residential property in
20 a mortgage security. Loans awarded under this
21 subparagraph shall comply with the following conditions:

22 (A) Loans made to small landlords who have
23 maintained compliance with each of the following
24 shall be forgiven:

25 (I) The small landlord offered to extend by
26 three years the lease of the tenant occupying the
27 unit when the funds were accepted.

28 (II) Annual increases in monthly rent have
29 not exceeded 3% of the base rent or the unit has
30 been occupied by a tenant participating in the

1 Housing Choice Voucher Program for a period of no
2 less than 15 years.

3 (III) In the prior 15 years, the small
4 landlord has not committed a serious violation
5 with regard to the small landlord's rental
6 property for which the small landlord has taken
7 no substantial steps to correct the serious
8 violation within six months following
9 notification of the serious violation and for
10 which no fines or other penalties or a judgment
11 to abate or correct were imposed by a magisterial
12 district judge or municipal court, nor a judgment
13 at law or in equity was imposed by a court. The
14 condition under this subclause may be met if the
15 property subject to the judgment, order or decree
16 is subject to a stay or supersedeas by an order
17 of a court of competent jurisdiction or
18 automatically allowed by statute or rule of court
19 until the stay or supersedeas is lifted by the
20 court or a higher court or the stay or
21 supersedeas expires as otherwise provided by law.
22 Where a stay or supersedeas is in effect, the
23 small landlord shall so advise the county
24 applicant.

25 (IV) The small landlord has maintained
26 ownership of the unit for a period of no less
27 than 15 years.

28 (B) Loans made to small landlords who have not
29 maintained compliance with each of the conditions in
30 clause (A) shall be recaptured by county applicants.

1 (iii) Where possible, county applicants shall
2 prioritize the use of existing home repair programs'
3 funds to address habitability concerns, measures to
4 improve energy or water efficiency and, where requested,
5 to make units accessible for individuals with
6 disabilities.

7 (2) The county applicant's administration of the program
8 for project types under subsection (c), including staff,
9 implementation systems and data management tools designed to
10 maximize enrollment in all existing home repair programs and
11 use of the fund through the provision and enhancement of all
12 of the following:

13 (i) Technical assistance and case management
14 services for homeowners, renters and small landlords.

15 (ii) A universal program application process
16 evidenced by a single point of contact for homeowners,
17 renters or small landlords.

18 (iii) Coordination across waitlists for existing
19 home repair programs.

20 (iv) Program and policy analysis, outcomes reporting
21 and program evaluation.

22 (v) Referrals, where appropriate, to legal aid,
23 social service providers specializing in mental,
24 developmental and physical health conditions, and other
25 relevant community-based services.

26 (3) Investments by the county applicant for project
27 types under subsection (c) in workforce development programs
28 that will connect trainees to jobs through committed employer
29 partnerships related to improving the habitability and
30 performance of homes, including any of the following:

1 (i) Cash stipends for trainees.

2 (ii) Costs related to the design and implementation
3 of preapprenticeship, apprenticeship and publicly funded
4 on-the-job training programs.

5 (e) Homeownership affordability project types.--The program
6 shall provide funding to assist individuals residing in this
7 Commonwealth in enhancing the affordability of becoming a
8 homeowner.

9 (f) Purposes of money for homeownership affordability
10 projects.--Money for projects under subsection (e) shall be used
11 for grants not to exceed \$125,000 per housing unit to include:

12 (1) New construction of multifamily housing units.

13 (2) New construction of housing units on nonadjacent
14 sites.

15 (3) Rehabilitation of housing units on nonadjacent
16 sites.

17 (4) Acquisition of structures and vacant land.

18 (g) Limitations.--The following shall apply:

19 (1) Program funds for project types under subsection (c)
20 shall not supplant existing resources dedicated to existing
21 home repair programs, but may be used to support, expand and
22 enhance existing home repair programs as provided under this
23 section.

24 (2) The department may not award funding to more than
25 one county applicant per county for project types under
26 subsection (c) to be used for purposes under subsection (d).
27 The department may not award funding to more than one county
28 applicant per county for project types under subsection (e)
29 to be used for the purposes under subsection (f). The
30 department may award funding to separate county applicants in

1 a single county for administering project types under
2 subsections (c) and (e). This paragraph shall not be
3 construed to prohibit the department from awarding funding to
4 county applicants to serve other counties.

5 (3) Housing units constructed, acquired or rehabilitated
6 through projects under subsection (e) shall be limited to
7 acquisition by prospective homeowners whose household income
8 does not exceed 80% of the area median income.

9 (h) Matching funds.--The following shall apply:

10 (1) Each grant issued under subsection (f) shall require
11 matching funds from a corporation equal to the amount of the
12 grant as a condition for approval of the award of the grant.

13 (2) Applicants for grants issued under subsection (f)
14 shall provide documentation of the approval of or access to
15 the matching funds required under paragraph (1).

16 Section 5. Whole-Home Repairs and Homeownership Affordability
17 Fund.

18 (a) Establishment.--The Whole-Home Repairs and Homeownership
19 Affordability Fund is established as a special fund in the State
20 Treasury.

21 (b) Contributions to the fund.--~~The following shall be~~ <--
22 ~~deposited into the fund:~~

23 ~~(1) Appropriations from the General Assembly.~~

24 ~~(2) Any allocations received by the Commonwealth from~~
25 ~~the Federal Government made available for purposes of funding~~
26 ~~the program.~~

27 ~~(3) Any gift, donation, legacies or other revenues.~~

28 (1) THE SUM OF \$125,000,000 IN FEDERAL MONEY IS <--
29 TRANSFERRED TO THE FUND FROM THE COVID-19 RESPONSE RESTRICTED
30 ACCOUNT.

1 (2) THE FOLLOWING SHALL BE DEPOSITED INTO THE FUND:

2 (I) APPROPRIATIONS FROM THE GENERAL ASSEMBLY.

3 (II) ANY ALLOCATIONS RECEIVED BY THE COMMONWEALTH
4 FROM THE FEDERAL GOVERNMENT MADE AVAILABLE FOR PURPOSES
5 OF FUNDING THE PROGRAM.

6 (III) ANY GIFT, DONATION, LEGACIES OR OTHER
7 REVENUES.

8 (c) Interest.--Any interest that accrues from money in the
9 fund shall remain in the fund.

10 (d) Use of funds.--Money in the fund is appropriated to the
11 department on a continuing basis to carry out the provisions of
12 this act. The appropriation shall not lapse at the end of any
13 fiscal year.

14 Section 6. Administration by the department.

15 (a) Costs.--The department shall be reimbursed by the fund
16 for its administrative costs in carrying out the provisions of
17 this act.

18 (b) Guidelines.--The department may develop and publish
19 program guidelines for the implementation and administration of
20 the program.

21 Section 7. Reports.

22 (a) Department reporting.--No later than September 1
23 following the first fiscal year or any portion of the first
24 fiscal year in which the program is in effect and no later than
25 September 1 for all succeeding fiscal years in which the program
26 is in effect, the department shall prepare a report on the
27 program and submit it to the chairperson and minority
28 chairperson of the Appropriations Committee of the Senate, the
29 chairperson and minority chairperson of the Appropriations
30 Committee of the House of Representatives, the chairperson and

1 minority chairperson of the Urban Affairs and Housing Committee
2 of the Senate and the chairperson and minority chairperson of
3 the Urban Affairs Committee of the House of Representatives. The
4 department shall post the report on the department's publicly
5 accessible Internet website. The report shall include all of the
6 following information for the prior year:

7 (1) On program funds utilized under section 4(d)(1):

8 (i) The total number of units, and the average cost
9 per unit, for which homeowners addressed habitability
10 concerns, installed energy efficiency measures and made
11 accessible for individuals with disabilities as a result
12 of program funds awarded under this act.

13 (ii) The total number of units, and the average cost
14 per unit, for which small landlords addressed
15 habitability concerns, installed energy efficiency
16 measures and made accessible for individuals with
17 disabilities as a result of program funds awarded under
18 this act.

19 (iii) The total amount of program funds invested in
20 addressing habitability concerns, installing energy
21 efficiency measures and making units accessible for
22 individuals with disabilities.

23 (iv) The total number of grant and loan applications
24 that were received, approved and denied.

25 (v) A summary of the most common reasons for denial
26 of applications.

27 (vi) The income and demographic information for
28 households assisted under the program.

29 (2) On program funds utilized under section 4(d)(2):

30 (i) A summary of the most common referrals as

1 described under section 4(d)(2)(v).

2 (ii) The number of new staff hired to fulfill the
3 services described under section 4(d)(2).

4 (iii) A summary of systems improvements to fulfill
5 the services described under section 4(d)(2).

6 (3) On program funds utilized under section 4(d)(3):

7 (i) The total amount of program funds invested in
8 workforce development programs.

9 (ii) The total number and average amount of cash
10 stipends provided to trainees.

11 (iii) The income and demographic information for
12 individuals assisted by funds utilized under section 4(d)
13 (3).

14 (4) On program funds utilized under section 4(f)(1):

15 (i) The total number of units and the average cost
16 per unit for which prospective homeowners were
17 successfully assisted in becoming a homeowner as a result
18 of program funds awarded under this act.

19 (ii) The total amount of program funds invested in
20 addressing homeownership affordability.

21 (iii) The total number of grant applications that
22 were received, approved and denied.

23 (iv) A summary of the most common reasons for denial
24 of applications.

25 (v) The income and demographic information for
26 households assisted under the program.

27 (b) County reporting.--The department may require county
28 applicants awarded grants under the program to submit reports,
29 on a form and in a manner prescribed by the department,
30 containing information necessary for the department to comply

1 with subsection (a).

2 Section 8. Funding.

3 The department's implementation of the program shall be
4 contingent upon sufficient program funds being deposited into
5 the fund in accordance with section 5 to carry out the purposes
6 of this act. In a year in which there are insufficient program
7 funds deposited into the fund for the purposes outlined in this
8 act, the program shall cease until sufficient Federal funds are
9 allocated to the Commonwealth, funds are specifically
10 appropriated by the General Assembly or funds are provided by a
11 source other than the Commonwealth.

12 Section 9. Student Housing Repurpose Program.

13 (a) Establishment.--The Student Housing Repurpose Program is
14 established. The Student Housing Repurpose Program shall allow
15 guarantees to repurpose, use or demolish existing student
16 housing in this Commonwealth.

17 (b) Eligible applicants.--A nonprofit or governmental entity
18 that serves one or more counties shall be eligible to apply
19 under the Student Housing Repurpose Program established under
20 subsection (a).

21 (c) Eligible projects.--Student housing located in host
22 communities for schools within the State System of Higher
23 Education shall be eligible for repurposing under the Student
24 Housing Repurpose Program established in subsection (a).

25 (d) Eligible use of grant funding.--Money for projects may
26 include:

27 (1) New construction of multifamily housing units.

28 (2) New construction of housing units on nonadjacent
29 sites.

30 (3) Rehabilitation or demolition of housing units on

1 nonadjacent sites.

2 (4) Acquisition of structures and vacant land.

3 (e) Applications for grants.--An applicant may submit an
4 application to the authority requesting a grant for the type of
5 project eligible under subsection (c). The application shall be
6 on a form required by the board and shall include all of the
7 following information:

8 (1) The applicant's name and address.

9 (2) The location of the project.

10 (3) A description of the project.

11 (4) An estimate of the costs associated with the project
12 and the goal to be achieved by carrying out the proposed
13 activities of the project.

14 (5) Any other information required by the authority.

15 (f) Review and approval of applications.--

16 (1) The authority shall review and evaluate an
17 application based on the following criteria:

18 (i) Whether the project can be replicated for use
19 across this Commonwealth.

20 (ii) Whether the project includes a strategic plan
21 for implementation.

22 (iii) The inclusion of an itemized budget of all
23 costs.

24 (2) The authority may develop additional evaluation
25 criteria for each type of project eligible under subsection
26 (c).

27 (3) Grants shall be awarded to the extent that funds are
28 available.

29 (g) Approval of project financing applications.--Upon
30 satisfaction that all requirements have been met, the board may

1 approve the application, and, if approved, the authority shall
2 award a grant to be used for costs of the project. A combined
3 loan and project grant may be awarded only if the board finds
4 that the value of the proposed collateral and the financial
5 resources offered by the applicant are not sufficient to repay a
6 loan in the amount of the total project cost.

7 (h) Housing Stabilization Initiative Fund.--The Housing
8 Stabilization Initiative Fund is established. The following
9 apply to the Housing Stabilization Initiative Fund:

10 (1) The following shall be deposited into the Housing
11 Stabilization Initiative Fund:

12 (i) Appropriations from the General Assembly.

13 (ii) Any allocations received by the Commonwealth
14 from the Federal Government made available for purposes
15 of funding the Student Housing Repurpose Program.

16 (iii) Any gift, donation, legacies or other
17 revenues.

18 (2) Any interest that accrues from money in the Housing
19 Stabilization Initiative Fund shall remain in the Housing
20 Stabilization Initiative Fund.

21 (3) Money in the Housing Stabilization Initiative Fund
22 is appropriated to the authority on a continuing basis to
23 carry out the provisions of this section. The appropriation
24 shall not lapse at the end of a fiscal year.

25 Section 10. Effective date.

26 This act shall take effect in 180 days.