

**HOUSING FINANCE AGENCY LAW - PENNSYLVANIA HOUSING AFFORDABILITY
AND REHABILITATION ENHANCEMENT PROGRAM, ESTABLISHING HOUSING
AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND**

Act of Nov. 23, 2010, P.L. 1035, No. 105

Cl. 64

Session of 2010

No. 2010-105

HB 60

AN ACT

Amending the act of December 3, 1959 (P.L.1688, No.621), entitled, as amended, "An act to promote the health, safety and welfare of the people of the Commonwealth by broadening the market for housing for persons and families of low and moderate income and alleviating shortages thereof, and by assisting in the provision of housing for elderly persons through the creation of the Pennsylvania Housing Finance Agency as a public corporation and government instrumentality; providing for the organization, membership and administration of the agency, prescribing its general powers and duties and the manner in which its funds are kept and audited, empowering the agency to make housing loans to qualified mortgagors upon the security of insured and uninsured mortgages, defining qualified mortgagors and providing for priorities among tenants in certain instances, prescribing interest rates and other terms of housing loans, permitting the agency to acquire real or personal property, permitting the agency to make agreements with financial institutions and Federal agencies, providing for the purchase by persons of low and moderate income of housing units, and approving the sale of housing units, permitting the agency to sell housing loans, providing for the promulgation of regulations and forms by the agency, prescribing penalties for furnishing false information, empowering the agency to borrow money upon its own credit by the issuance and sale of bonds and notes and by giving security therefor, permitting the refunding, redemption and purchase of such obligations by the agency, prescribing remedies of holders of such bonds and notes, exempting bonds and notes of the agency, the income therefrom, and the income and revenues of the agency from taxation, except transfer, death and gift taxes; making such bonds and notes legal investments for certain purposes; and indicating how the act shall become effective," providing for the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program; and establishing the Housing Affordability and Rehabilitation Enhancement Fund.

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

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

**ARTICLE IV-D
PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION
ENHANCEMENT PROGRAM**

Section 401-D. Definitions.

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

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

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

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

"Program funds." The term shall include all allocations distributed to and grants received by the Commonwealth from the United States Department of Housing and Urban Development pursuant to the Housing Trust Fund, established in section 1338 of the Housing and Economic Recovery Act of 2008 (Public Law 110-289, 122 Stat. 2654), and funds from sources other than the Commonwealth that are provided for the program established under this article. The term may also include funds specifically appropriated by the General Assembly for the program established under this article. Section 402-D. Establishment.

There is established the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program to be administered by the agency. The program shall be dependent on the availability of program funds .

Section 403-D. Program.

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

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

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

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

(4) Projects to prevent or reduce homelessness.

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

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

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

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

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

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

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

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

(c) Matching funds.-- Program funds may be used for a set aside for matching funds for counties that have established optional county affordable housing funds under 53 Pa.C.S. Ch. 60 (relating to optional affordable housing funding). In order to receive matching funds under this subsection, a county must annually report detailed information as required by the agency on the use of the funds for county projects. The information shall be included in the agency's report under section 405-D.

(d) Limitation.-- Program funds shall not supplant existing resources dedicated to affordable housing activities. Program

funds may be used to support, expand and enhance other programs administered by the agency.

(e) Preferences.--The agency may adopt written policies to give preference to projects that meet specific goals, such as energy efficiency, green building standards and comprehensive design strategies, or that target identified needs.

(f) Considerations.--The agency shall take into consideration geographical distribution of program funds appropriated to the program to ensure that all areas of this Commonwealth participate to the greatest extent possible.

(g) Funding for housing program.--The agency shall make available 30% of the program funds available under this article for housing programs benefiting households with household incomes which are less than 50% of the median area income.

Section 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 program 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 405-D. Reporting.

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 406-D. Fund.

(a) Establishment.-- There is established in the State Treasury the Housing Affordability and Rehabilitation Enhancement Fund. Interest and any other earnings in the fund shall remain in the fund. All program funds allocated or appropriated to the program shall be deposited in the fund. Program funds in the fund and the interest accruing thereon are hereby appropriated to the agency on a continuing basis to carry out the provisions of this article.

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

Section 407-D. Funding.

Implementation of this article shall be contingent upon sufficient program funds being deposited in the fund in accordance with section 406-D to carry out the purposes of this article. In

a year in which Congress fails to approve Federal funds or there are insufficient program funds deposited into the fund for the purposes outlined in this article, the program shall cease until sufficient Federal funds are allocated to the Commonwealth, funds are specifically appropriated by the General Assembly or funds are provided by a source other than the Commonwealth .

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

APPROVED--The 23rd day of November, A.D. 2010.

EDWARD G. RENDELL