

**NEIGHBORHOOD HOUSING SERVICES ACT**  
**Act of Jul. 11, 1990, P.L. 421, No. 102**  
AN ACT

CL. 14

To promote the health, safety and welfare of the people of this Commonwealth by supporting and expanding the network of Neighborhood Housing Services Programs which work to halt the deterioration of homes and the decline of neighborhoods, and to broaden the availability of the programs and services offered by Neighborhood Housing Services Programs, especially to persons of low and moderate income, by establishing within the Department of Community Affairs a State Neighborhood Housing Services Program.

**Compiler's Note:** Section 301(a)(9) of Act 58 of 1996, which created the Department of Community and Economic Development and abolished the Department of Community Affairs, provided that housing, community assistance and other functions under Act 102 are transferred from the Department of Community Affairs to the Department of Community and Economic Development.

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

Section 1. Short title.

This act shall be known and may be cited as the Neighborhood Housing Services Act.

Section 2. Legislative findings and purpose.

It is hereby determined and declared as a matter of legislative finding that:

(1) A substantial number of living units in this Commonwealth are in deteriorating condition, with many residents of this Commonwealth residing in homes which do not conform to applicable health and safety ordinances. This situation impedes the development of healthy, safe and viable communities in this Commonwealth.

(2) The problems of declining neighborhoods, including deteriorating housing with a concomitant loss of property values and erosion of the tax bases of the affected communities, negatively impact on the health, safety and welfare of residents of this Commonwealth.

(3) The encouragement of public-private partnerships between State and municipal governmental entities and private financial and corporate institutions to coordinate and optimize their respective resources is critical to any serious effort to halt deterioration and revitalize declining neighborhoods.

(4) The Commonwealth can maximize the number of low-income and moderate-income housing units by encouraging the rehabilitation of existing structures.

(5) The Neighborhood Housing Services Programs, as organized and supported by the Federal Neighborhood

Reinvestment Corporation, have proven themselves as highly effective and innovative mechanisms for halting the decline of neighborhoods and stemming the deterioration of housing units by bringing together the public and private sectors in a partnership dedicated to the rehabilitation of existing housing and the restoration of self-worth and self-reliance to neighborhoods.

(6) State support for the Neighborhood Housing Services Programs holds promise for the improvement of the quality of life in those neighborhoods beset with the problems associated with deteriorating and substandard housing, and these programs can serve as a model of an effective and innovative strategy to remedy these problems.

Therefore, it is hereby declared to be the policy of the Commonwealth of Pennsylvania to promote the health, safety and welfare of its inhabitants by the creation of the Pennsylvania Neighborhood Housing Services Program. This program will provide funds to assist in the creation, expansion and support of Neighborhood Housing Services Programs to stem deterioration and decline in identified neighborhoods, which impair economic value, and public revenues, discourage private investment and detract from the overall quality of life in this Commonwealth.

Section 3. Definitions.

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

"Department." The Department of Community Affairs of the Commonwealth.

"Neighborhood Housing Services Programs." Private, nonprofit, community-based corporation, established pursuant to the Neighborhood Reinvestment Corporation Act (Public Law 95-557, 42 U.S.C. § 8101 et seq.) and working to stem neighborhood decline.

"Neighborhood Reinvestment Corporation." The Neighborhood Reinvestment Corporation as established by the Neighborhood Reinvestment Corporation Act (Public Law 95-557, 42 U.S.C. § 8101 et seq.).

"Secretary." The Secretary of Community Affairs of the Commonwealth.

#### Section 4. Neighborhood Housing Services Program.

There is hereby established a Neighborhood Housing Services Program to be administered by the department. Its purpose shall be to create a partnership among private financial and business institutions, governments and residents in a given community to undertake the rehabilitation and revitalization of specific neighborhoods or geographical areas.

#### Section 5. Powers and duties of department.

(a) Grants.--The department shall provide annual grants to Neighborhood Housing Services Programs which meet the qualifications set forth in this act. These annual grants shall not total more than 150% of the contributions raised from private sources.

(b) Inspections and audits.--The department may inspect any Neighborhood Housing Services Program receiving a grant under this act. The department may audit and examine all books or

records of the corporation, require periodic reports and request information necessary to ensure proper use of State funds.

(c) Application procedures.--The department shall publish procedures regarding applications for grants under this act within 60 days of the effective date of this act.

#### Section 6. Eligibility requirements.

To receive funding under this act, an applicant must:

(1) Be a Neighborhood Housing Services Program operating within this State and be certified by the Neighborhood Reinvestment Corporation that the applicant is registered and in good standing with it.

(2) Be governed by a board of directors or trustees which is composed of neighborhood residents, representatives of financial institutions and businesses and representatives of local political subdivisions.

(3) Be certified by the Internal Revenue Service of the United States Department of the Treasury as a charitable organization exempt from Federal income tax.

(4) Submit to the department a description of the geographic boundaries served by the applicant and a plan which outlines the strategy that the applicant will employ or is employing to utilize both private and public resources to bring neighborhood dwellings to acceptable levels of health and safety, stem further deterioration of housing units, halt the overall decline of the neighborhood and stimulate reinvestment.

(5) Certify the amount of contributions from private sources raised during the preceding fiscal year. Where the applicant is in its first year of existence, the applicant must certify the amount of contribution pledges from private sources for that year.

(6) Maintain or plan to maintain and administer a high risk revolving loan fund which makes loans at flexible interest rates and repayment terms to neighborhood residents who are unable to obtain financing through normal lending channels for home repairs which are required to maintain their homes at acceptable levels of health and safety.

#### Section 7. Effective date.

This act shall take effect immediately.