

**MUNICIPALITIES GENERALLY (53 PA.C.S.) - CODIFYING THE OPTIONAL COUNTY  
AFFORDABLE HOUSING FUNDS ACT**

**Act of Jul. 14, 2005, P.L. 280, No. 49**

**Cl. 53**

Session of 2005

No. 2005-49

HB 139

AN ACT

Amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, codifying the Optional County Affordable Housing Funds Act; and making a related repeal.

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

Section 1. Title 53 of the Pennsylvania Consolidated Statutes is amended by adding a chapter to read:

CHAPTER 60

OPTIONAL AFFORDABLE HOUSING FUNDING

Subchapter

- A. Preliminary Provisions
- B. Affordable Housing Programs and Funding in Counties
- C. Affordable Housing Programs and Funding in Cities of First Class

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

6001. Scope of chapter.

6002. Legislative purpose.

6003. Definitions.

§ 6001. Scope of chapter.

This chapter deals with optional affordable housing funding.

§ 6002. Legislative purpose.

The General Assembly intends to provide a method for counties and cities of the first class to raise revenues at the local level to enable residents to purchase, rent or maintain quality residential housing.

§ 6003. Definitions.

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

"County." A county of the second, second A, third, fourth, fifth, sixth, seventh or eighth class. The term does not include any county of the first class.

"National Affordable Housing Act of 1990." The Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625, 42 U.S.C. § 12701 et seq.), as amended.

SUBCHAPTER B

AFFORDABLE HOUSING PROGRAMS AND FUNDING IN COUNTIES

Sec.

6011. Affordable housing programs fee in counties.

6012. Disposition of proceeds in counties.

6013. Affordable housing efforts in counties.

§ 6011. Affordable housing programs fee in counties.

(a) General rule.--The governing body of each county may, by ordinance, increase the fees charged by the recorder of deeds for recording deeds and mortgages under the act of June 12, 1919 (P.L.476, No.240), referred to as the Second Class County Recorder of Deeds Fee Law, or the act of April 8, 1982 (P.L.310, No.87), referred to as the Recorder of Deeds Fee Law.

(b) Limitation.--The additional fees levied by a governing body of a county under subsection (a) shall not exceed 100% of the amounts charged on February 12, 1993.

§ 6012. Disposition of proceeds in counties.

(a) Deposit.--Money collected as a result of the fee imposed under section 6011(a) (relating to affordable housing programs fee in counties) shall be deposited in the general fund of the county.

(b) Allocation.--Money collected as a result of the fee imposed under section 6011(a) shall be allocated as follows:

(1) At least 85% of the money collected shall be set aside in a separate account to be used to fund affordable housing efforts in the county.

(2) Not more than 15% of the money collected may be used by the county for the administrative costs associated with the affordable housing efforts.

§ 6013. Affordable housing efforts in counties.

"Affordable housing effort" as used in this subchapter is any program or project approved by the governing body of the county which increases the availability of quality housing, either sales or rental, to any county resident whose annual income is less than the median income of the county and includes:

(1) Providing local matching funds to secure National Affordable Housing Act of 1990 HOME funds.

(2) Assisting or supporting housing efforts by the Pennsylvania Housing Finance Agency and by commercial banks and thrift institutions.

(3) Supporting soft second mortgage programs.

#### SUBCHAPTER C

#### AFFORDABLE HOUSING PROGRAMS AND FUNDING IN CITIES OF FIRST CLASS

Sec.

6021. Affordable housing programs fee in cities of first class.

6022. Disposition of proceeds in cities of first class.

6023. Affordable housing efforts in cities of first class.

§ 6021. Affordable housing programs fee in cities of first class.

(a) General rule.--The governing body of a city of the first class may, by ordinance, charge an affordable housing program fee for recording deeds and mortgages and other related mortgage documents.

(b) Limitation.--The fee levied by a governing body of a city of the first class under subsection (a) shall not exceed 100% of the amounts charged by a city of the first class for recording deeds and mortgages and other related documents on January 31, 2005.

(c) Construction.--Subsection (a) shall not limit or otherwise impact the authority of a city of the first class to alter the fees charged by a city of the first class as of the effective date of this chapter for recording deeds and mortgages and other related mortgage documents.

§ 6022. Disposition of proceeds in cities of the first class.

(a) Deposit.--Money collected as a result of the fee imposed under section 6021(a) (relating to affordable housing programs fee in cities of the first class) shall be deposited in a special fund established by a city of the first class.

(b) Allocation.--Money collected as a result of the fee imposed under section 6021(a) shall be allocated as follows:

(1) At least 85% of the money collected shall be used to fund affordable housing efforts in a city of the first class.

The following apply:

(i) A city of the first class may by ordinance dedicate a portion of the funds allocated under this subsection to benefit households whose annual income adjusted for household size is equal to or less than 30% of the median income of the metropolitan statistical area including that city of the first class.

(ii) A city of the first class may by ordinance dedicate a portion of the funds allocated under this subsection to programs described in section 6023(1) (relating to affordable housing efforts in cities of first class).

(iii) A city of the first class may by ordinance define criteria for accessibility of new and existing housing for visitors or occupants who are physically disabled and establish the percentage of new construction units produced as a result of the affordable housing efforts of the city funded under this subsection that must meet the criteria.

(iv) A city of the first class may by ordinance restrict expenditure of money raised under this subchapter to those programs and projects described in section 6023.

(v) A city of the first class may by ordinance require that housing produced or rehabilitated through affordable housing efforts be priced or rented at an amount such that the purchase or rental will require the expenditure of no more than a certain maximum percentage of the gross income of the household of the purchaser or renter.

(2) Not more than 15% of the money collected may be used for the administrative costs of a city of the first class associated with the affordable housing efforts.

§ 6023. Affordable housing efforts in cities of first class.

"Affordable housing effort" as used in this subchapter is a program or project which increases the availability of quality housing, either sales or rental, to any resident of a city of the first class whose annual income adjusted for household size is less than 115% of the median income of the metropolitan statistical area including that city of the first class and includes:

(1) A program or project which increases the production of housing for sale or rent.

(2) A program or project which increases the accessibility of new and existing housing to visitors or occupants who are physically disabled.

(3) A program or project which provides grants for repair of basic systems or improvement of owner-occupied housing.

(4) A program or project which provides for the improvement of facades for owner-occupied housing.

(5) A program or project which prevents or reduces homelessness.

Section 2. The act of December 14, 1992 (P.L.866, No.137), known as the Optional County Affordable Housing Funds Act, is repealed.

Section 3. The addition of 53 Pa.C.S. Ch. 60 is a continuation of the act of December 14, 1992 (P.L.866, No.137), known as the Optional County Affordable Housing Funds Act. The following apply:

(1) All activities initiated under the Optional County Affordable Housing Funds Act shall continue and remain in full force and effect and may be completed under 53 Pa.C.S. Ch. 60. Ordinances, orders, rules and decisions which were made under the Optional County Affordable Housing Funds Act and which are in effect on the effective date of the addition of 53 Pa.C.S. Ch. 60 shall remain in full force and effect until revoked, vacated or modified under 53 Pa.C.S. Ch. 60. Contracts and obligations entered into under the Optional County Affordable Housing Funds Act are not affected nor impaired by the repeal of the Optional County Affordable Housing Funds Act.

(2) Except as set forth in paragraph (3), any difference in language between 53 Pa.C.S. Ch. 60 and the Optional County Affordable Housing Funds Act is intended only to conform to the style of the Pennsylvania Consolidated Statutes and is not intended to change or affect the legislative intent, judicial construction or administration and implementation of the Optional County Affordable Housing Funds Act.

(3) Paragraph (2) does not apply to the addition of 53 Pa.C.S. Ch. 60 Subch. C.

Section 4. If this act is enacted after July 1, 2005, and prior to July 1, 2006, then the city council of a city of the first class may institute the new fee under 53 Pa.C.S. § 6021(a) for a partial fiscal year and may allocate those funds under 53 Pa.C.S. § 6022(b) within fiscal year 2005-2006.

Section 5. This act shall take effect in 60 days.

APPROVED--The 14th day of July, A. D. 2005.

EDWARD G. RENDELL