
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1728

Session of
1985

INTRODUCED BY COWELL, IRVIS, SEVENTY, LEVDANSKY, PRESTON,
VAN HORNE, TRELLO, POTT, DAWIDA, MARKOSEK AND PISTELLA,
OCTOBER 2, 1985

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
OCTOBER 7, 1986

AN ACT

1 Amending the act of May 24, 1945 (P.L.991, No.385), entitled "An
2 act to promote elimination of blighted areas and supply
3 sanitary housing in areas throughout the Commonwealth; by
4 declaring acquisition, sound replanning and redevelopment of
5 such areas to be for the promotion of health, safety,
6 convenience and welfare; creating public bodies corporate and
7 politic to be known as Redevelopment Authorities; authorizing
8 them to engage in the elimination of blighted areas and to
9 plan and contract with private, corporate or governmental
10 redevelopers for their redevelopment; providing for the
11 organization of such authorities; defining and providing for
12 the exercise of their powers and duties, including the
13 acquisition of property by purchase, gift or eminent domain;
14 the leasing and selling of property, including borrowing
15 money, issuing bonds and other obligations, and giving
16 security therefor; restricting the interest of members and
17 employes of authorities; providing for notice and hearing;
18 supplying certain mandatory provisions to be inserted in
19 contracts with redevelopers; prescribing the remedies of
20 obligees of redevelopment authorities; conferring certain
21 duties upon local planning commissions, the governing bodies
22 of cities and counties, and on certain State officers, boards
23 and departments," further providing for the acquisition of
24 blighted property by redevelopment authorities for certain
25 uses and the means of financing the purchase of property.

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

28 Section 1. Sections 2, 3 and 9 of the act of May 24, 1945

1 (P.L.991, No.385), known as the Urban Redevelopment Law, are
2 amended by adding clauses to read:

3 Section 2. Findings and Declaration of Policy.--It is hereby
4 determined and declared as a matter of legislative finding--

5 * * *

6 (h) That there exists within the Commonwealth, both within
7 and outside certified redevelopment areas, an inadequate supply
8 of residential owner-occupied and rental housing due, in part,
9 to the deterioration of older dwellings, the elimination of
10 substandard dwellings by governmental action, the increased cost
11 of construction and the unavailability of affordable financing
12 from the private sector.

13 (i) That there exists within the Commonwealth, both within
14 and outside certified redevelopment areas, deteriorating
15 commercial and industrial areas and/or individual structures,
16 due, in part, to the fact that there are no private funds
17 available to finance the purchase, construction, rehabilitation, <—
18 DEMOLITION or equipping of the commercial and industrial
19 properties at interest rates that would make the commercial or
20 industrial project economically feasible. Such commercial or
21 industrial projects are needed for the social and economic well-
22 being of communities within the field of operation of
23 authorities.

24 * * *

25 Section 3. Definitions.--The following terms where used in
26 this act, shall have the following meanings, except where the
27 context clearly indicates a different meaning.

28 * * *

29 (s) "Commercial and Industrial Redevelopment Program."--The
30 financing of the purchase, construction, rehabilitation, <—

DEMOLITION or equipping of a commercial or an industrial project as part of the redevelopment of an area designated in the program as needing such assistance by the Authority and in accordance with the program.

(t) "Commercial or Industrial Project."--A commercial or industrial facility, as those terms are used in the zoning ordinances of the municipality for the Authority's field of operation, within an area designated in the Commercial and Industrial Redevelopment Program which by its nature and location has or offers reasonable likelihood of preventing, slowing or reversing the deterioration of the designated area.

(u) "Residential Housing Redevelopment Program." The financing of the purchase, construction, rehabilitation or equipping of a residential housing project as part of the development of an area designated in the program as needing such assistance by the Authority and in accordance with the program.

(v) "Residential Housing Project."--A facility within an area designated in the Residential Housing Redevelopment Program which provides residential housing.

Section 9. Powers of an Authority.--An Authority shall constitute a public body, corporate and politic, exercising public powers of the Commonwealth as an agency thereof, which powers shall include all powers necessary or appropriate to carry out and effectuate the purposes and provisions of this act, including the following powers in addition to those herein otherwise granted:

* * *

(aa) To make, directly or indirectly, secured or unsecured loans to any purchaser or owner of a residential housing or a commercial or an industrial project for the purpose of financing

1 the purchase, construction, rehabilitation or equipping of a
2 residential housing or a commercial and industrial redevelopment
3 program.

4 (bb) To make loans to, or deposits with, at the option of
5 the Authority, without requiring collateral security therefor,
6 any financial institution, in order to enable that financial
7 institution to finance the acquisition, construction,
8 rehabilitation or equipping of a residential housing or a
9 commercial and industrial redevelopment program. For such
10 purposes, an Authority may make such loans as the Authority may
11 determine; receive interest on such deposits as may be agreed to
12 with the financial institution; purchase and hold notes or other
13 obligations secured by mortgages, deeds of trust or security
14 interests in residential housing, commercial or industrial
15 projects or property used as additional security,
16 notwithstanding anything to the contrary elsewhere contained in
17 this act; sell, assign, pledge or encumber any security,
18 including mortgages or other security agreements, held by or
19 granted to the Authority or received in connection with the
20 financing of residential housing or commercial or industrial
21 projects and grant to any trustee, in addition to any other
22 rights or remedies contained therein or in any documents
23 granting such security, such other rights and remedies as may be
24 approved by the Authority.

25 Section 2. The act is amended by adding a section to read:

26 Section 11.1. Preparation and Provisions of a Residential
27 Housing Redevelopment Program and Commercial and Industrial
28 Redevelopment Program.--(a) The Authority may develop a
29 Residential Housing Redevelopment Program or a Commercial and
30 Industrial Redevelopment Program for all or part of its field of

1 operation.

2 (b) The Authority shall submit the redevelopment program to
3 the planning commission for review and approval.

4 (c) The planning commission, within forty-five days, shall
5 either approve, reject or modify the program as satisfying the
6 public purpose of this act. If the planning commission takes no
7 action within forty-five days, the program shall be deemed
8 approved on the forty-sixth day.

9 (d) Upon approval by the planning commission, or at the
10 expiration of forty-five days, if no recommendation is made by
11 the planning commission, the Authority is authorized to take
12 such action as may be necessary to carry out the redevelopment
13 program.

14 Section 3. Section 12.1(a), (c)(7) and (e) of the act, added
15 June 23, 1978 (P.L.556, No.94), are amended to read:

16 Section 12.1. Blighted Property Removal.--

17 (a) Notwithstanding any other provision of this act, any
18 Redevelopment Authority shall have the power to acquire by
19 purchase, gift, bequest, eminent domain or otherwise, any
20 blighted property as defined in this section, either within or
21 outside of a certified redevelopment area and, further, shall
22 have the power to hold, clear, manage and/or dispose of said
23 property for residential and related [use] reuse and commercial
24 or industrial reuse. This power shall be exercised in accord
25 with the procedures set forth in this section.

26 * * *

27 (c) Blighted property shall include:

28 * * *

29 (7) Any unoccupied property which has been tax delinquent
30 for a period of [two years] one year prior to the effective date

1 of this act, and those in the future having a [two year] one
2 year tax delinquency.

3 * * *

4 (e) The [vacant] blighted property review committee [and the
5 appropriate planning commission], upon making a determination
6 that any property is blighted within the terms of this section,
7 must certify said blighted property to the Redevelopment
8 Authority, except that:

9 [(1) No property shall be certified to the Redevelopment
10 Authority unless it is vacant.

11 (2)] (1) No property shall be certified to the Redevelopment
12 Authority unless the owner of the property or an agent
13 designated by him for receipt of service of notices within the
14 municipality has been served with notice of the determination
15 that the property is blighted, together with an appropriate
16 order to eliminate the conditions causing the blight and
17 notification that failure to do so may render the property
18 subject to condemnation under this act. The notice shall be
19 served upon the owner or his agent in accord with the provisions
20 of a local ordinance pertaining to service of notice of
21 determination of a public nuisance. The owner or his agent shall
22 have the right of appeal from the determination in the same
23 manner as an appeal from the determination of public nuisance.

24 [(3)] (2) No blighted property shall be certified to the
25 Redevelopment Authority until the time period for appeal has
26 expired and no appeal has been taken, or, if taken, the appeal
27 has been disposed of, and the owner or his agent has failed to
28 comply with the order of the responsible department or other
29 officer or agency.

30 [(4) No single vacant lot or parcel of ground shall be

1 certified to the Redevelopment Authority under this section on
2 which more than ten dwelling units can be constructed under
3 existing zoning regulations.]

4 * * *

5 Section 4. Section 13.1 of the act is repealed.

6 Section 5. Section 14 of the act, amended July 17, 1970
7 (P.L.496, No.173), is amended to read:

8 Section 14. Form and Sale of Bonds.--The bonds of an
9 Authority shall be authorized by its resolution; shall be issued
10 in one or more series; and shall bear such date, mature, at such
11 time, and bear interest at such rate[, not exceeding six per
12 centum (6%) per annum, except that for a period ending on
13 October 10, 1970 the rate or rates of interest may exceed six
14 per centum (6%) per annum but shall not exceed seven per centum
15 (7%) per annum] as shall be determined by the Authority as
16 necessary to issue and sell such bonds, payable semi-annually,
17 be in such denominations, be in such form, either coupon or
18 registered, be executed in such manner, be payable in such
19 medium of payment, at such place, and be subject to such terms
20 of redemption and carry such registration privileges as may be
21 provided in such resolution, or in any trust, indenture or
22 mortgage properly made in pursuance thereof.

23 The bonds of an Authority may be sold at public or private
24 sale [at not less than par and accrued interest] for such price
25 or prices as the Authority may determine. In case any of the
26 officers of an Authority whose signatures appear on any bonds or
27 coupons shall cease to be officers before the delivery of such
28 bonds their signatures shall, nevertheless, be valid and
29 sufficient for all purposes, the same as if such officers had
30 remained in office until such delivery.

1 The Authority shall have the power out of any funds available
2 therefor to purchase any bonds issued by it [at a price not more
3 than the par value thereof plus accrued interest]. All bonds so
4 purchased shall be cancelled. This paragraph shall not apply to
5 the redemption of bonds.

6 Any bond reciting in substance that it has been issued by an
7 Authority to accomplish the public purposes of this act shall be
8 conclusively deemed in any suit, action or proceeding involving
9 the validity or enforceability of such bond or security therefor
10 to have been issued for such purpose.

11 [The interest on bonds issued with an interest rate exceeding
12 six per centum (6%) per annum shall be paid during the term for
13 which the bonds were issued and shall not be limited to the
14 specified period during which the rates in excess of six per
15 centum (6%) per annum could be determined.]

16 Section 6. This act shall take effect immediately.