

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2035 Session of
1999

INTRODUCED BY FLICK, NOVEMBER 8, 1999

REFERRED TO COMMITTEE ON INTERGOVERNMENTAL AFFAIRS,
NOVEMBER 8, 1999

AN ACT

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

1 editorial changes.

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

4 Section 1. Sections 102(7) and 202 of the act of December 3,
5 1959 (P.L.1688, No.621), known as the Housing Finance Agency
6 Law, amended December 18, 1992 (P.L.1652, No.182), are amended
7 to read:

8 Section 102. Findings and Declaration of Policy.--It is
9 hereby determined and declared as a matter of legislative
10 finding that--

11 * * *

12 (7) Therefore, it is hereby declared to be the policy of the
13 Commonwealth of Pennsylvania to promote the health, safety and
14 welfare of its inhabitants by the creation of a body corporate
15 and politic, to be known as the "Pennsylvania Housing Finance
16 Agency," which shall exist and operate for the purposes of
17 alleviating the hardship which results from insufficient
18 production of private homes and of rental housing for persons
19 and families of low and moderate income, including the elderly,
20 the hardship resulting from the relocation of persons displaced
21 by governmental action, the deleterious effect of inadequate
22 housing upon the general welfare of the Commonwealth, and the
23 disadvantages, resulting from economic conditions, which bar
24 private industry from satisfying a vital need, by broadening the
25 market for private homes and for housing for persons and
26 families of low and moderate income, including the elderly,
27 through the provision of specialized financing secured by
28 mortgages to corporations, individuals, joint ventures,
29 partnerships, limited partnerships, trusts, cooperatives and
30 condominiums, which are unable to obtain such financing in the

1 general market or who are unable to participate in specialized
2 Federal housing programs because of lack of available Federal
3 funds, and through cooperation with and assistance to the
4 Pennsylvania Department of Community [Affairs] and Economic
5 Development as such department carries into effect the powers
6 and duties vested in it, thus improving and stimulating the
7 distribution of investment capital for housing and neighborhood
8 revitalization projects. Such purposes are public purposes for
9 which public money may be spent.

10 Section 202. Agency Membership.--The members of the agency
11 shall be the Secretary of [Community Affairs] Public Welfare,
12 the State Treasurer, the Secretary of [Commerce] Community and
13 Economic Development and the Secretary of Banking, and the
14 respective successors in office of each of them, one member
15 appointed by the Majority Leader of the Senate, one member
16 appointed by the Minority Leader of the Senate, one member
17 appointed by the Majority Leader of the House of
18 Representatives, one member appointed by the Minority Leader of
19 the House of Representatives and six additional members whom the
20 Governor shall appoint. One of the members of the agency
21 appointed by the Governor with the advice and consent of the
22 Senate shall be a representative of a community-based nonprofit
23 group which assists low-income and moderate-income individuals
24 in housing matters. Annually at the first meeting held during
25 the calendar year, the members shall elect one of the members to
26 serve as chairperson. The members initially appointed shall
27 serve for terms of one, two, three, four, five and six years,
28 respectively, the particular term of each to be designated by
29 the Governor at the time of appointment. The terms of all their
30 successors shall be six years each, except that any person

1 appointed to fill a vacancy shall serve only for the unexpired
2 term. Every member's term shall extend until his successor is
3 appointed and qualified. Any appointment made by the Governor of
4 a member of the agency made hereafter shall be subject to the
5 advice and consent of a majority of all the members of the
6 Senate. Any appointed member of the agency shall be eligible for
7 reappointment. The members of the agency shall not receive
8 compensation for their services as members, but shall receive
9 reimbursement for all necessary expenses incurred in connection
10 with the performance of their duties as members. A member who
11 fails to attend meetings for three consecutive months shall
12 forfeit his seat unless the chairperson of the agency, upon
13 written request from the member, finds that the member should be
14 excused from a meeting because of illness or the death of an
15 immediate family member. Members appointed by the Majority
16 Leader of the Senate, the Minority Leader of the Senate, the
17 Majority Leader of the House of Representatives and the Minority
18 Leader of the House of Representatives shall not be, themselves,
19 current members of the General Assembly and shall serve at the
20 pleasure of the appointing authority.

21 Section 2. Section 205(7.1) and (13) of the act, amended
22 December 5, 1972 (P.L.1259, No.282), are amended to read:

23 Section 205. Agency Powers.--The agency shall have the
24 following powers:

25 * * *

26 (7.1) To cooperate with and assist the Pennsylvania
27 Department of Community [Affairs] and Economic Development as
28 such department carries into effect the powers and duties vested
29 in it.

30 * * *

1 (13) To conduct housing studies and to enter into contracts
2 with the Department of Community [Affairs] and Economic
3 Development and to do all things necessary or convenient to
4 carry out the powers granted by this act or other acts.

5 * * *

6 Section 3. This act shall take effect in 60 days.