INTRODUCED BY SAVAL, FONTANA, KANE, KEARNEY, MUTH, CAPPELLETTI, COSTA, HUGHES, COMITTA, STREET, TARTAGLIONE, HAYWOOD, COLLETT, BREWSTER, SCHWANK, L. WILLIAMS, SANTARSIERO, FLYNN, A. WILLIAMS, BOSCOLA, BROWNE, ARGALL, LAUGHLIN, VOGEL AND SCAVELLO, MARCH 7, 2022

SENATOR BROWNE, APPROPRIATIONS, RE-REPORTED AS AMENDED, JULY 7, 2022

AN ACT

Providing for funding to address habitability concerns in owner-occupied and rental units, measures to improve energy or water efficiency and make units accessible for individuals with disabilities, and removing barriers to affordability of homeownership; establishing the Whole-Home Repairs and Homeownership Affordability Program, the Student Housing Repurpose Program, the Whole-Home Repairs and Homeownership Affordability Fund and the Housing Stabilization Initiative Fund; and imposing duties on the Department of Community and Economic Development and the Commonwealth Financing Authority.

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 Housing Stabilization Initiative Act.

Section 2. 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:
"Affordable units." Units where rents are affordable to tenants at or below 60% of area median income, adjusted for household size, as defined annually by the Pennsylvania Housing Finance Agency's PennHOMES County-wide Limits.

"Authority." The Commonwealth Financing Authority.

"Board." The board of the Commonwealth Financing Authority.

"Code." A building, housing, property maintenance, fire, health or other public safety ordinance, related to the use or maintenance of real property, enacted by a municipality. The term does not include a subdivision and land development ordinance or a zoning ordinance enacted by a municipality.

"Corporation." A corporation or joint stock association organized under the laws of this Commonwealth, the United States or any other state, territory or foreign country or dependency.

"County applicant." A nonprofit or governmental entity that serves one or more counties.

"Court." The appropriate court of common pleas.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Disabilities." As the term "handicap or disability" is defined in section 4 of the act of October 27, 1955 (P.L.744, No.222), known as the Pennsylvania Human Relations Act.

"Existing home repair programs." Programs administered by nonprofit organizations, governmental entities and public utilities, or the contractors and assignees of such entities, that provide services to repair residential housing that are funded in accordance with or through, but not exclusively limited to, the following programs:

(1) The weatherization assistance programs administered as a part of the programs authorized under the Low-Income

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(2) The Community Development Block Grant Program under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383, 88 Stat. 633), as amended.

(3) The HOME program under the act of December 18, 1992 (P.L.1376, No.172), known as the Pennsylvania Affordable Housing Act.

(4) The Medical Assistance Community HealthChoices Program.


(6) The Keystone Communities Program administered by the department.

(7) Low-income usage reduction programs established under 52 Pa. Code Ch. 58 (relating to residential low income usage reduction programs).


"Fund." The Whole-Home Repairs and Homeownership Affordability Fund established under section 5.

"Habitability concerns." Home repairs that are required to ensure residential units are any of the following:

(1) Fit for human habitation.

(2) Free from defective conditions or health and safety
hazards, including asbestos, mold, pests or lead.

(3) Free of conditions preventing installation of measures to improve energy or water efficiency and lower utility costs.

"Homeowner." A person who is any of the following:

(1) An owner of record evidenced by a publicly recorded deed.

(2) An owner-occupant of a manufactured home who leases a space in a manufactured home community.

(3) An equitable owner who can demonstrate an ownership interest in a property as provided by law, including:

(i) A person who has inherited an interest in a property.

(ii) A person who has entered a contract to purchase a property.

(iii) A person who was the owner of record before a fraudulent conveyance of the property.

(iv) A person who is a trust beneficiary and a person holding a partial ownership interest in a property such as tenancy by the entirety, joint tenancy, tenancy in common and life estate.

"Matching funds." Cash or other investments from funding sources other than the Whole-Home Repairs and Homeownership Affordability Fund established under section 5.

"Program." The Whole-Home Repairs and Homeownership Affordability Program established under section 3.

"Serious violation." A violation of a State law or code that poses an imminent threat to the health and safety of a dwelling occupant, occupants in surrounding structures or passersby.

"Small landlords." A person, who is a landlord, who has an
ownership stake in no more than five properties and no more than 15 rental units and rents those properties or units for use as a primary residence for a fee, regardless of the length or form of the lease.

"State law." A statute of the Commonwealth or a regulation of an agency charged with the administration and enforcement of Commonwealth laws.

"Substantial step." An affirmative action as determined by a property code official or officer of the court on the part of a small landlord or property managing agent to remedy a serious violation of a State law or code, including physical improvements or repairs to the property, which affirmative action is subject to appeal in accordance with applicable law.

Section 3. Establishment.

The Whole-Home Repairs and Homeownership Affordability Program is established within the department and shall be administered by the department.

Section 4. Administration of program.

(a) Applications.--The department shall make available an application for a county applicant to apply for funding under the program. The application may be accepted electronically.

(b) Awarding of grants.--The department shall award grants to no more than one county applicant per county for project types under subsection (c) to be used for purposes under subsection (d). The department shall award grants to no more than one county applicant per county for project types under subsection (e) to be used for the purposes under subsection (f). This subsection shall not be construed to prohibit the department from awarding more than one grant to a county applicant to serve multiple counties.
(c) Home repair project types.--The program shall provide funding for the following:

(1) To ensure owner-occupied and rental units are free of habitability concerns.

(2) To improve coordination across existing home repair programs.

(3) To increase retention in workforce development programs.

(d) Purposes of money for home repair projects.--Money for projects under subsection (c) shall be used for all of the following:

(1) Grants and loans not to exceed $50,000 per unit to address habitability concerns, to improve energy or water efficiency, and, where requested, to make units accessible for individuals with disabilities through the provision of:

   (i) Grants for homeowners whose household income does not exceed 80% of the area median income.

   (ii) Loans to small landlords renting affordable units that are recorded against a residential property in a mortgage security. Loans awarded under this subparagraph shall comply with the following conditions:

       (A) Loans made to small landlords who have maintained compliance with each of the following shall be forgiven:

       (I) The small landlord offered to extend by three years the lease of the tenant occupying the unit when the funds were accepted.

       (II) Annual increases in monthly rent have not exceeded 3% of the base rent or the unit has been occupied by a tenant participating in the
Housing Choice Voucher Program for a period of no
less than 15 years.

(III) In the prior 15 years, the small
landlord has not committed a serious violation
with regard to the small landlord's rental
property for which the small landlord has taken
no substantial steps to correct the serious
violation within six months following
notification of the serious violation and for
which no fines or other penalties or a judgment
to abate or correct were imposed by a magisterial
district judge or municipal court, nor a judgment
at law or in equity was imposed by a court. The
condition under this subclause may be met if the
property subject to the judgment, order or decree
is subject to a stay or supersedeas by an order
of a court of competent jurisdiction or
automatically allowed by statute or rule of court
until the stay or supersedeas is lifted by the
court or a higher court or the stay or
supersedeas expires as otherwise provided by law.
Where a stay or supersedeas is in effect, the
small landlord shall so advise the county
applicant.

(IV) The small landlord has maintained
ownership of the unit for a period of no less
than 15 years.

(B) Loans made to small landlords who have not
maintained compliance with each of the conditions in
clause (A) shall be recaptured by county applicants.
(iii) Where possible, county applicants shall prioritize the use of existing home repair programs' funds to address habitability concerns, measures to improve energy or water efficiency and, where requested, to make units accessible for individuals with disabilities.

(2) The county applicant's administration of the program for project types under subsection (c), including staff, implementation systems and data management tools designed to maximize enrollment in all existing home repair programs and use of the fund through the provision and enhancement of all of the following:

(i) Technical assistance and case management services for homeowners, renters and small landlords.

(ii) A universal program application process evidenced by a single point of contact for homeowners, renters or small landlords.

(iii) Coordination across waitlists for existing home repair programs.

(iv) Program and policy analysis, outcomes reporting and program evaluation.

(v) Referrals, where appropriate, to legal aid, social service providers specializing in mental, developmental and physical health conditions, and other relevant community-based services.

(3) Investments by the county applicant for project types under subsection (c) in workforce development programs that will connect trainees to jobs through committed employer partnerships related to improving the habitability and performance of homes, including any of the following:
(i) Cash stipends for trainees.

(ii) Costs related to the design and implementation of preapprenticeship, apprenticeship and publicly funded on-the-job training programs.

(e) Homeownership affordability project types.—The program shall provide funding to assist individuals residing in this Commonwealth in enhancing the affordability of becoming a homeowner.

(f) Purposes of money for homeownership affordability projects.—Money for projects under subsection (e) shall be used for grants not to exceed $125,000 per housing unit to include:

1. New construction of multifamily housing units.
2. New construction of housing units on nonadjacent sites.
3. Rehabilitation of housing units on nonadjacent sites.
4. Acquisition of structures and vacant land.

(g) Limitations.—The following shall apply:

1. Program funds for project types under subsection (c) shall not supplant existing resources dedicated to existing home repair programs, but may be sued to support, expand and enhance existing home repair programs as provided under this section.

2. The department may not award funding to more than one county applicant per county for project types under subsection (c) to be used for purposes under subsection (d). The department may not award funding to more than one county applicant per county for project types under subsection (e) to be used for the purposes under subsection (f). The department may award funding to separate county applicants in...
a single county for administering project types under subsections (c) and (e). This paragraph shall not be construed to prohibit the department from awarding funding to county applicants to serve other counties.

(3) Housing units constructed, acquired or rehabilitated through projects under subsection (e) shall be limited to acquisition by prospective homeowners whose household income does not exceed 80% of the area median income.

(h) Matching funds.--The following shall apply:

(1) Each grant issued under subsection (f) shall require matching funds from a corporation equal to the amount of the grant as a condition for approval of the award of the grant.

(2) Applicants for grants issued under subsection (f) shall provide documentation of the approval of or access to the matching funds required under paragraph (1).

Section 5. Whole-Home Repairs and Homeownership Affordability Fund.

(a) Establishment.--The Whole-Home Repairs and Homeownership Affordability Fund is established as a special fund in the State Treasury.

(b) Contributions to the fund.--The following shall be deposited into the fund:

(1) Appropriations from the General Assembly.

(2) Any allocations received by the Commonwealth from the Federal Government made available for purposes of funding the program.

(3) Any gift, donation, legacies or other revenues.

(1) THE SUM OF $125,000,000 IN FEDERAL MONEY IS TRANSFERRED TO THE FUND FROM THE COVID-19 RESPONSE RESTRICTED ACCOUNT.
(2) THE FOLLOWING SHALL BE DEPOSITED INTO THE FUND:

   (I) APPROPRIATIONS FROM THE GENERAL ASSEMBLY.

   (II) ANY ALLOCATIONS RECEIVED BY THE COMMONWEALTH
        FROM THE FEDERAL GOVERNMENT MADE AVAILABLE FOR PURPOSES
        OF FUNDING THE PROGRAM.

   (III) ANY GIFT, DONATION, LEGACIES OR OTHER
        REVENUES.

(c) Interest.--Any interest that accrues from money in the
fund shall remain in the fund.

(d) Use of funds.--Money in the fund is appropriated to the
department on a continuing basis to carry out the provisions of
this act. The appropriation shall not lapse at the end of any
fiscal year.

Section 6. Administration by the department.

(a) Costs.--The department shall be reimbursed by the fund
for its administrative costs in carrying out the provisions of
this act.

(b) Guidelines.--The department may develop and publish
program guidelines for the implementation and administration of
the program.

Section 7. Reports.

(a) Department reporting.--No later than September 1
following the first fiscal year or any portion of the first
fiscal year in which the program is in effect and no later than
September 1 for all succeeding fiscal years in which the program
is in effect, the department shall prepare a report on the
program and submit it to the chairperson and minority
chairperson of the Appropriations Committee of the Senate, the
chairperson and minority chairperson of the Appropriations
Committee of the House of Representatives, the chairperson and
minority chairperson of the Urban Affairs and Housing Committee
of the Senate and the chairperson and minority chairperson of
the Urban Affairs Committee of the House of Representatives. The
department shall post the report on the department's publicly
accessible Internet website. The report shall include all of the
following information for the prior year:

(1) On program funds utilized under section 4(d)(1):
   (i) The total number of units, and the average cost
       per unit, for which homeowners addressed habitability
       concerns, installed energy efficiency measures and made
       accessible for individuals with disabilities as a result
       of program funds awarded under this act.
   (ii) The total number of units, and the average cost
       per unit, for which small landlords addressed
       habitability concerns, installed energy efficiency
       measures and made accessible for individuals with
       disabilities as a result of program funds awarded under
       this act.
   (iii) The total amount of program funds invested in
       addressing habitability concerns, installing energy
       efficiency measures and making units accessible for
       individuals with disabilities.
   (iv) The total number of grant and loan applications
       that were received, approved and denied.
   (v) A summary of the most common reasons for denial
       of applications.
   (vi) The income and demographic information for
       households assisted under the program.

(2) On program funds utilized under section 4(d)(2):
   (i) A summary of the most common referrals as
described under section 4(d)(2)(v).

(ii) The number of new staff hired to fulfill the services described under section 4(d)(2).

(iii) A summary of systems improvements to fulfill the services described under section 4(d)(2).

(3) On program funds utilized under section 4(d)(3):

(i) The total amount of program funds invested in workforce development programs.

(ii) The total number and average amount of cash stipends provided to trainees.

(iii) The income and demographic information for individuals assisted by funds utilized under section 4(d)(3).

(4) On program funds utilized under section 4(f)(1):

(i) The total number of units and the average cost per unit for which prospective homeowners were successfully assisted in becoming a homeowner as a result of program funds awarded under this act.

(ii) The total amount of program funds invested in addressing homeownership affordability.

(iii) The total number of grant applications that were received, approved and denied.

(iv) A summary of the most common reasons for denial of applications.

(v) The income and demographic information for households assisted under the program.

(b) County reporting.--The department may require county applicants awarded grants under the program to submit reports, on a form and in a manner prescribed by the department, containing information necessary for the department to comply
Section 8. Funding.

The department's implementation of the program shall be contingent upon sufficient program funds being deposited into the fund in accordance with section 5 to carry out the purposes of this act. In a year in which there are insufficient program funds deposited into the fund for the purposes outlined in this act, 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 9. Student Housing Repurpose Program.

(a) Establishment.--The Student Housing Repurpose Program is established. The Student Housing Repurpose Program shall allow guarantees to repurpose, use or demolish existing student housing in this Commonwealth.

(b) Eligible applicants.--A nonprofit or governmental entity that serves one or more counties shall be eligible to apply under the Student Housing Repurpose Program established under subsection (a).

(c) Eligible projects.--Student housing located in host communities for schools within the State System of Higher Education shall be eligible for repurposing under the Student Housing Repurpose Program established in subsection (a).

(d) Eligible use of grant funding.--Money for projects may include:

   (1) New construction of multifamily housing units.

   (2) New construction of housing units on nonadjacent sites.

   (3) Rehabilitation or demolition of housing units on
nonadjacent sites.

(4) Acquisition of structures and vacant land.

(e) Applications for grants.--An applicant may submit an application to the authority requesting a grant for the type of project eligible under subsection (c). The application shall be on a form required by the board and shall include all of the following information:

(1) The applicant's name and address.

(2) The location of the project.

(3) A description of the project.

(4) An estimate of the costs associated with the project and the goal to be achieved by carrying out the proposed activities of the project.

(5) Any other information required by the authority.

(f) Review and approval of applications.--

(1) The authority shall review and evaluate an application based on the following criteria:

(i) Whether the project can be replicated for use across this Commonwealth.

(ii) Whether the project includes a strategic plan for implementation.

(iii) The inclusion of an itemized budget of all costs.

(2) The authority may develop additional evaluation criteria for each type of project eligible under subsection (c).

(3) Grants shall be awarded to the extent that funds are available.

(g) Approval of project financing applications.--Upon satisfaction that all requirements have been met, the board may
approve the application, and, if approved, the authority shall
award a grant to be used for costs of the project. A combined
loan and project grant may be awarded only if the board finds
that the value of the proposed collateral and the financial
resources offered by the applicant are not sufficient to repay a
loan in the amount of the total project cost.

(h) Housing Stabilization Initiative Fund.--The Housing
Stabilization Initiative Fund is established. The following
apply to the Housing Stabilization Initiative Fund:

(1) The following shall be deposited into the Housing
Stabilization Initiative Fund:

   (i) Appropriations from the General Assembly.

   (ii) Any allocations received by the Commonwealth
        from the Federal Government made available for purposes
        of funding the Student Housing Repurpose Program.

   (iii) Any gift, donation, legacies or other
        revenues.

(2) Any interest that accrues from money in the Housing
Stabilization Initiative Fund shall remain in the Housing
Stabilization Initiative Fund.

(3) Money in the Housing Stabilization Initiative Fund
is appropriated to the authority on a continuing basis to
carry out the provisions of this section. The appropriation
shall not lapse at the end of a fiscal year.

Section 10. Effective date.

This act shall take effect in 180 days.