
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No.

420

Session of

1961

INTRODUCED BY MESSRS. STASEY, DEVLIN, SARRAF, SESLER,
FLEMING, RIPP AND MCGINNIS, MARCH 20, 1961.

REFERRED TO COMMITTEE ON PUBLIC HEALTH & WELFARE,
MARCH 20, 1961.

AN ACT

Providing and regulating assistance for housing for the elderly and
making an appropriation

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

- 1 Section 1 Short Title This act shall be known and may be cited
- 2 as the "Housing for the Elderly Assistance Law"
- 3 Section 2 Declaration of Policy It has been determined by the
- 4 General Assembly of this Commonwealth

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill. Underlining indicates new matter added to existing law. (Brackets) indicate matter stricken from existing law.

1 (1) That in both urban and rural communities of Pennsylvania
2 there exists an inadequate supply of decent safe and sanitary housing
3 within the financial reach of elderly persons of limited income

4 (2) That these conditions singly and in combination are a menace
5 to the health and welfare of the elderly persons of Pennsylvania be-
6 cause they encourage the spread of disease impair public health in-
7 crease the hazards of fires and accidents resulting in the loss of life
8 and property subject the elderly to influences which have a permanent
9 deleterious effect on their health necessitating the expenditures of large
10 sums of money for the purpose of fire protection public health and relief

11 (3) That the correction of these conditions requires the erection
12 of housing projects on a basis which will provide additional housing at
13 rentals which elderly persons of limited incomes can afford to pay but
14 such projects have not been erected because of the high costs which pre-
15 vail

16 (4) That to induce the erection and maintenance of the housing
17 needed for elderly persons of limited incomes it is essential that the
18 Commonwealth assume a portion of the rental cost by paying for a
19 proportion of the construction costs of certain new housing projects

20 (5) That the Commonwealth give financial assistance in order to

1 effectuate the purposes of this act

2 It is declared to be the policy of the Commonwealth of Pennsyl-
3 vania to promote the health safety morals and welfare of its inhabitants
4 by providing for State assistance to elderly tenants of limited income
5 through a contribution to the cost of housing projects to be erected
6 and offered for occupancy at moderate rentals as a means of making
7 such housing available to them at rentals within their ability to pay

8 Section 3 Definitions As used in this act

9 (1) "Aggregate income" means the total annual income of all
10 occupants of a rental unit less an exemption of that portion of the total
11 income in excess of ten per centum that is expended for medical costs
12 to maintain elderly persons in good health

13 (2) "Department" means the Department of Commerce of the
14 Commonwealth of Pennsylvania

15 (3) "Elderly person" means a person sixty years of age or older

16 (4) "Housing project" or "project" means any work or under-
17 taking initiated pursuant to section 4 of this act to provide decent
18 safe and sanitary urban or rural dwellings apartments or other housing
19 accommodations for elderly persons of limited incomes and the work
20 or undertaking may include acquisition of land and its clearance build-

1 ing construction and the necessary equipment facilities and other prop-
2 erty or rights including convenient appurtenances streets sewers water
3 services parks site preparation gardening for administrative community
4 health recreational educational welfare and/or other purposes The term
5 "housing project" or "project" may be applied to the planning of the
6 buildings and improvements the acquisition of property the demolition
7 of existing structures the construction reconstruction alteration and
8 repair of existing improvements and all other work in connection there-
9 with

10 (5) "Gross rental" means annual rent per dwelling unit including
11 the value or cost of water sewage service electricity refrigeration and
12 heating and cooking fuels

13 (6) "Veteran" means a person who has served in the active military
14 or naval service of the United States at any time on or after April 16
15 1917 and prior to November 11 1918 and at any time on or after
16 September 16 1940 and prior to July 26 1947 and who shall have been
17 discharged or released therefrom under conditions other than dishon-
18 orable "Surviving spouses of veterans" shall include the wives or hus-
19 bands of persons who died as the result of service in the armed forces
20 of the United States between the above mentioned dates

1 (7) "Housing authorities" mean authorities created under the act
2 of May 28 1937 (P L 955) known as the "Housing Authorities Law"

3 (8) "Nonprofit corporations" include corporations created under the
4 act of May 5 1933 (P L 289) known as the "Nonprofit Corporation
5 Law"

6 (9) "Limited dividend housing companies" include companies cre-
7 ated under the act of May 18 1937 (P L 704) known as the "Limited
8 Dividend Housing Company Law"

9 Section 4 Grants Authorized The department is hereby authorized
10 within the limitations hereinafter provided to make capital grants in
11 the furtherance of housing development for elderly persons of limited
12 income and to assist the construction and operation of these housing
13 projects through the payments of such grants by contracting with au-
14 thorities or agencies such as housing authorities nonprofit corporations
15 and limited dividend housing companies providing adequate surety ac-
16 ceptable to the department guaranteeing continuity of operation
17 throughout the term of its contract

18 Section 5 Tenant Limitations No capital grant pursuant to section
19 4 of this act shall be made for any housing project unless the authority
20 corporation or company receiving such capital grant shall contract to

1 maintain rent levels within the means of elderly persons of limited in-
2 come as established by the department and embodied in the contract
3 as hereinafter provided which shall be substantially below those now
4 available through equivalent nonsubsidized construction and to limit
5 the tenant admissions of such project to elderly persons whose aggre-
6 gate income does not exceed four times the gross rental of the housing
7 unit to be furnished any such elderly person provided however that when
8 this category of elderly persons is exhausted then tenant admissions
9 shall be limited to elderly persons whose aggregate income does not
10 exceed six times the gross rental of the housing unit to be furnished
11 any such elderly person

12 Employment by any specific employer or employers shall not be a
13 requisite for occupancy in any housing project built under the provisions
14 of this act

15 Section 6 Capital Grant Limitations Pursuant to section 4 of this
16 act the department shall make no capital grant for any housing project
17 which shall exceed thirty per centum of its land acquisition development
18 construction and preoccupany cost as finally ascertained by the depart-
19 ment provided however any part or all of such grant in excess of ten

1 per centum of the land acquisition development construction and pre-
2 occupancy cost as finally ascertained by the department must be equally
3 matched dollar for dollar by the authority nonprofit corporation or
4 limited dividend housing company contracting to receive the capital
5 grant

6 Any capital grants made under this act shall be strictly limited to
7 the amounts and percentage of total cost necessary in the determination
8 of the department to accomplish the purposes of this act

9 Section 7 Procedures (a) The department subject to the approval
10 of the Governor shall tentatively allocate to the several areas of the
11 Commonwealth as designated by the department such capital grants as
12 may promote aid or stimulate the erection of housing for elderly persons
13 of limited income within that area

14 In the determination of such tentative allocations the department
15 shall be guided by the following standards population distribution pat-
16 tern of the elderly increase in the number of elderly persons as deter-
17 mined by the department in the period since the year 1950 and such
18 evidence of housing needs for elderly persons of limited income through-
19 out the State as are available to the department

1 The department shall publicize in each area concerned the tenta-
2 tive allocation of State subsidy funds for the stimulation of housing
3 construction for elderly persons of limited income in that area in each
4 case making every reasonable effort to inform officials of housing authori-
5 ties nonprofit corporations and limited dividend housing companies of
6 this act as possible participants in this program

7 (b) Each such housing authority nonprofit corporation or limited
8 dividend housing company evidencing within a reasonable period of
9 time as determined by the department an interest in participating in
10 the program with accompanying proof of local housing need recom-
11 mendation of a suitable and available site information as to the com-
12 munity attitude and evidence that the municipality is recognizing its
13 housing needs by enforcing the laws concerning building construction
14 and sanitation and other pertinent supporting data shall have its request
15 reviewed in the light of other requests from that area and the total
16 amount of tentative allocations for the area After review by the de-
17 partment and if the need and feasibility of the proposed project has
18 been demonstrated and where a suitable site is available and where
19 adequate funds are available for allocation the department shall accept
20 bids on housing construction and operation proposals covering such

1 number and character of housing units type of construction site rental
2 ranges proposed and such other requirements as are established by the
3 department Each bid shall stipulate the amount of State subsidy which
4 would be required by the bidder to construct and operate the housing
5 projects in accordance with the before mentioned requirement of the
6 department

7 (c) If the tentative allocation of grants in any area in the State
8 does not energize action resulting in acceptable proposals within a rea-
9 sonable time as determined by the department the department shall have
10 power to reallocate with the approval of the Governor those grants to
11 other areas in the Commonwealth which as determined by the before
12 mentioned standards have effectively established an urgent need for
13 additional housing facilities for elderly persons of limited income Unused
14 portions of these reallocations may be similarly reallocated at later dates
15 so as to effectuate the purposes of this act

16 In order to effectuate and enforce the provisions of this act the
17 department is authorized to promulgate rules and regulations

1 Section 8 Department Action on Bids The department may reject
2 any or all bids It shall determine which of the acceptable bids made by
3 responsible bidders will provide for erection and rental of the housing
4 units in accordance with the terms of the department's request for bids
5 at the lowest cost to the Commonwealth and shall notify the success-
6 ful bidder which may be the sole bidder and shall on behalf of the
7 Commonwealth after ratification by the Governor as provided in section
8 9 of this act enter into a contract with the successful bidder

9 Section 9 Ratification by the Governor All bids accepted by the
10 department shall be transmitted to the Governor for his consideration
11 and shall be ratified by him before the department may enter into con-
12 tractual relations with the bidder Upon ratification of a bid by the Gov-
13 ernor the department is authorized to execute contracts effectuating the
14 terms of the bid and proposal embodying the provisions specified in
15 section 10 of this act and providing for the payment of the capital
16 grant

17 Section 10 Contracts No State funds for capital grants under the
18 provisions of section 4 of this act shall be disbursed until the depart-
19 ment after ratification of the bid by the Governor as specified in section
20 9 has entered into a contract with the bidder embodying suitable guar-

1 antees as to the erection maintenance and management of the proposed
2 housing project in accordance with the purposes of this act and in-
3 cluding provision for

4 (1) The termination of the Commonwealth's powers and respon-
5 sibilities with respect to said project after a specified term of not less
6 than thirty years

7 (2) An agreement that the bidder shall not voluntarily subject the
8 premises to any lien or mortgage other than such as may be specified
9 in the contract and that any transfer of the project or any assignment
10 of investor's interest under this agreement shall be subject to all the
11 terms of the contract and this act and shall not relieve the investor of
12 the investor's obligations under the contract

13 (3) Provisions that the scale of rentals and tenant income limita-
14 tions originally agreed upon may at some later date be modified by
15 action of the department upon petition by the bidder so as to recog-
16 nize charges in general or local economic conditions

17 (4) Such other provisions as the department determines are neces-
18 sary to carry out the purposes of this act

19 Section 11 Approval and Acquisition of Sites No housing project
20 site shall be approved by the department before the department has

1 received advice thereon from the planning commission or if no planning
2 commission shall exist the governing body of the local political sub-
3 division in which the proposed site is located provided however that if
4 such advice is not received from such local agency within a reasonable
5 time as defined by the department local approval shall be assumed

6 All proposed housing project plans shall conform to the require-
7 ments of local zoning ordinances if any such have been adopted

8 Sites for proposed housing projects may be optioned by the de-
9 partment or may be acquired by gift or purchase either by negotiation
10 or through exercise of its power of eminent domain Such option or title
11 to a proposed site may be transferred by the department or its duly
12 authorized agents to the authority corporation or company with which
13 the department contracts for the building and operation of a housing
14 project and may constitute part or all of the Commonwealth's sub-
15 sidy of the project

16 Section 12 Design Construction and Inspection All architectural
17 engineering or site development plans for housing projects constructed
18 under the provisions of this act shall be approved by the department

1 or its duly accredited representatives before the work covered by the
2 plans is undertaken

3 Standards as to materials and construction techniques shall be
4 specified or approved by the department and must conform to require-
5 ments of local codes

6 The department or its duly accredited representatives shall be
7 allowed full access at reasonable times to every housing project initiated
8 under the provisions of this act so as to permit a free inspection of
9 materials methods of construction and standards of maintenance and
10 operation as required under the provisions of the contract

11 Section 13 Cooperation with Other Agencies The department is
12 directed to administer this housing program for elderly persons with
13 limited incomes with such flexibility as to permit a full cooperation be-
14 tween State Federal and local governments institutional districts agencies
15 and authorities as well as private health and welfare associations so as
16 to result in as effective and economical a housing program as possible

17 Section 14 Interdepartmental Cooperation The department shall
18 at its request receive the assistance of the Department of Property and
19 Supplies in connection with the administration of this act with respect
20 to investigation of proposed sites optioning or acquisition of approved

1 sites preparation or analysis of plans and specifications inspection or
2 materials and inspection of construction for housing developments
3 built under the provisions of this act

4 Section 15 Appropriations The sum of three million dollars
5 (\$3,000,000) or as much thereof as may be necessary is hereby speci-
6 fically appropriated to the Department of Commerce for the use of the
7 State Planning Board for the purposes set forth in this act and of this
8 amount not more than three per centum shall be spent by the board
9 for administration of this act including payment to the Department of
10 Property and Supplies for the cost of any services authorized by section
11 14 of this act

12 Section 16 Effective Date This act shall take effect immediately

We certify that this bill has passed the Senate and the House of Representatives

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives

Approved The day of A. D. 1961.

.....
Governor