

Federal Government, the City of Philadelphia and historical organizations in the development and presentation of historic Philadelphia.

Section 7. To aid in carrying out the provisions of this act, the Pennsylvania Historical and Museum Commission is hereby empowered to create and appoint committees and to appoint historical consultants who shall serve without cost to the Commonwealth. Power to appoint.

APPROVED—The 12th day of April, A. D. 1956.

GEORGE M. LEADER

No. 477

AN ACT

Reenacting and amending the title and the act of May twenty one thousand nine hundred forty-nine (Pamphlet Laws 1633) entitled "An act providing and regulating State assistance for housing, including slum clearance and redevelopment; and making an appropriation," transferring functions of State Planning Board relating to housing and redevelopment to the Department of Commerce; removing slum clearance and certain restrictions as to capital grants for redevelopment purposes from provisions of act; and making an appropriation.

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

Section 1. The title and sections 1 to 5, inclusive, act of May twenty, one thousand nine hundred forty-nine (Pamphlet Laws 1633), known as the "Housing and Redevelopment Assistance Law," are reenacted and amended to read:

Housing and Redevelopment Assistance Law.

Title and sections 1 to 5, inclusive, act of May 20, 1949, P. L. 1633, reenacted and amended.

AN ACT

Providing and regulating State assistance for housing, including [slum clearance and] redevelopment; and making an appropriation.

Title.

Section 1. Short Title.—This act shall be known and may be cited as the "Housing and Redevelopment Assistance Law."

Short title.

Section 2. Declaration of Policy.—It has been determined by the General Assembly of this Commonwealth:—

Policy.

(a) That in both urban and rural communities of Pennsylvania there exist inadequate or over-crowded dwellings accompanied by an acute shortage of decent, safe and sanitary housing within the financial reach of families of limited incomes;

(b) That these conditions singly and in combination are a menace to the health and welfare of the people

of Pennsylvania because they encourage the spread of disease, impair public health and morals, increase the hazard of fires and accidents, resulting in loss of life and property, subject the young to influences which have a permanently deleterious effect on their moral standards, increase violation of the criminal laws of the Commonwealth, jeopardizing the safety and welfare of its people, and necessitating the expenditure of large sums of public money for the purpose of crime prevention, punishment and correction, fire protection, public health and relief;

(c) That the correction of these conditions requires the erection of housing projects on a basis which will provide additional housing at rentals which persons of limited incomes can afford to pay, but such projects have not been erected because of the high construction costs which prevail;

(d) That to induce the erection and maintenance of the housing needed for persons of limited incomes, it is essential that the Commonwealth assume a portion of the rental cost by paying for a portion of the construction costs of certain new housing projects;

(e) That [the governing bodies of political subdivisions may be of the opinion that their over-all housing needs can best be met by the effective operation of redevelopment authorities; and

(f) That the Commonwealth should recognize such a local determination, and give financial assistance to redevelopment authorities in order to effectuate the purposes of the Urban Redevelopment Law and of this act] *it has been found and declared in the Urban Redevelopment Law that there exists in urban communities in this Commonwealth areas which have become blighted, that such conditions are beyond remedy or control by regulatory processes, and that the public interest requires the remedying of these conditions.*

Therefore, it is declared to be the policy of the Commonwealth of Pennsylvania to promote the health, morals, safety and welfare of its inhabitants by providing for State assistance to tenants of limited income through a contribution to the cost of housing projects to be erected and offered for occupancy at moderate rentals as a means of making such housing available to them at rentals within their ability to pay, and by assisting the communities of this Commonwealth in [meeting their housing needs] *remedying the conditions set forth in the Urban Redevelopment Law by making grants to redevelopment authorities.*

Section 3. Definitions.—The following words, terms and phrases, where used or referred to in this act, shall have the meanings ascribed to them in this section except in those instances where the context clearly indicates a different meaning. Definitions.

(a) "Aggregate Income," the total annual income of all occupants of a rental unit, less an exemption of one hundred dollars (\$100) for each minor occupying the rental unit or receiving his main support from the lessee. Of such total annual income not more than ten per cent shall be interest or income from capital investments.

(b) ["Board," the State Planning Board, a departmental administrative board within the Department of Commerce of the Commonwealth] "*Department,*" *the Department of Commerce of the Commonwealth.*

(c) "Housing Project" or "Project," any work or undertaking initiated pursuant to section 4 (a) of this act to provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for persons of limited income. Such work or undertaking may include acquisition of land and its clearance, building construction and the necessary equipment, facilities and other property or rights, including convenient or desirable appurtenances, streets, sewers, water services, parks, site preparation, gardening, for administrative, community, health, recreational, educational, welfare or other purposes. The term "Housing Project" or "Project" may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, and repair of existing improvements, and all other work in connection therewith.

(d) "Net Rental," annual rent per dwelling unit, not including the value or cost of water, electricity, refrigeration, or heating and cooking fuels.

(e) "Redevelopment Authority," a public body corporate and politic, organized and existing by virtue of the Urban Redevelopment Law, the act of May twenty-fourth, one thousand nine hundred forty-five (Pamphlet Laws 991).

(f) "Veteran," a person who has served in the active military or naval service of the United States at any time on or after September sixteenth, one thousand nine hundred forty, and prior to July twenty-sixth, one thousand nine hundred forty-seven, and who shall have been discharged or released therefrom under conditions other than dishonorable. "Families of Veterans," shall in-

clude the families of persons who died as the result of service in the armed forces of the United States between the above mentioned dates.

(g) "*Redevelopment*," any work or undertaking of a redevelopment authority created pursuant to the Urban Redevelopment Law of this Commonwealth.

Section 4. Grant Authorization.—The [State Planning Board] *department* is hereby authorized, within the limitations hereinafter provided, (a) to make capital grants in the furtherance of housing development and to assist the construction and operating of housing projects through the payment of such grants by contracting with governmental agencies or authorities such as housing authorities and urban redevelopment authorities, or with limited dividend housing corporations, insurance companies, or any other private, public or semi-public agencies, firms or corporations providing adequate surety, acceptable to the [board] *department*, guaranteeing continuity of operation throughout the term of its contract, and (b) to make capital grants to redevelopment authorities in the furtherance of [slum clearance and] redevelopment [with the primary objective of creating suitable sites for housing].

There shall be no discrimination against any person because of race, color, religion or national origin in the rental or occupancy of any housing constructed under the provisions of this act.

Section 5. Housing Authorities and Limited Dividend Housing Corporations.—Housing authorities created under the "Housing Authorities Law," the act of May twenty-eighth, one thousand nine hundred thirty-seven (Pamphlet Laws 955), as now or hereafter amended, and limited dividend housing companies created under the "Limited Dividend Housing Company Law," the act of May eighteenth, one thousand nine hundred thirty-seven (Pamphlet Laws 704), as now or hereafter amended, shall, in addition to the powers conferred upon them by those acts respectively, have the right to contract for, erect and maintain projects under this act.

Section 2. Section six of the act, amended August twenty-second, one thousand nine hundred fifty-three (Pamphlet Laws 1371), is reenacted and amended to read:

Section 6. Tenant Limitations.—No capital grant pursuant to section 4 (a) of this act shall be made for any housing project unless the agency, authority or corporation receiving such capital grant shall contract to maintain rent levels within the means of persons of limited income as established by the [State Planning Board] *department* and embodied in the contract, as

Section 6, act of May 20, 1949, P. L. 1633, amended August 22, 1953, P. L. 1371, reenacted and amended.

hereinafter provided, which shall be substantially below those now available through equivalent non-subsidized construction and to limit the tenant admissions of such project to families whose aggregate income does not exceed six times the net rental of the housing unit to be furnished any such family: Provided, however, That when this category of families is exhausted, then tenant admissions shall be limited to families whose aggregate income does not exceed eight times the net rental of the housing unit to be furnished any such family.

Employment by any specific employer or employers shall not be a requisite for occupancy in any housing project built under the provision of this act.

Priority in occupancy shall be given to veterans and families of veterans for five years after the effective date of this act and thereafter, at the discretion of the [board] *department*, and, so far as is consistent with the objectives of this act, to persons displaced by the necessary operations of public housing and redevelopment projects and other public improvements: Provided, That such persons or families meet the income qualifications established by the [board] *department*.

Section 3. Sections seven to eighteen, inclusive, of the act are reenacted and amended to read:

Section 7. Grant Limitations.—Pursuant to section 4 (a) of this act, the [State Planning Board] *department* shall make no capital grant for any housing project, which shall exceed thirty-five per cent of its land acquisition, development, construction and preoccupancy cost, as finally ascertained by the [board] *department*.

Any capital grants made under this act shall be strictly limited to the amounts and percentage of total cost necessary in the determination of the [State Planning Board] *department* to accomplish the purposes of this act.

[The total amount of all grants made by the State Planning Board for slum clearance and redevelopment pursuant to section four (b) of this act shall not exceed thirty per cent of the amount appropriated by this act.]

Section 8. Procedures.—The [State Planning Board] *department*, subject to the approval of the Governor, shall tentatively allocate to the several areas of the Commonwealth, as designated by the [board] *department*, such capital grants, [under the limitations specified in this act] as may promote aid, or stimulate the erection of housing or the effectuation of redevelopment within that area.

In the determination of such tentative allocations the [State Planning Board] *department* shall be guided by the following standards: population distribution pattern,

Sections 7 to 18  
inclusive, act of  
May 20, 1949,  
P. L. 1633,  
reenacted and  
amended.

growth as determined by the [State Planning Board] *department* in the period since one thousand nine hundred forty, trends of industry and such evidence of housing *or redevelopment* needs throughout the State as are available to the [board] *department*.

The [State Planning Board] *department* shall publicize in each area concerned the tentative allocation of State subsidy funds for the stimulation of housing construction *or redevelopment* in that area, in each case making every reasonable effort to inform officials of political subdivisions and representatives of agencies such as those enumerated in section 4 of this act as possible participants in this program.

Each such political subdivision or agency evidencing within a reasonable period of time, as determined by the [board] *department*, an interest in participating in the program, with accompanying proof of local housing *or redevelopment* need, recommendation of a suitable and available site, information as to community attitude and evidence that the municipality is recognizing its housing *and redevelopment* needs by enforcing the laws concerning building construction and sanitation, and other pertinent supporting data, shall have its request reviewed in the light of other requests from that area and the total amount of tentative allocations for the area. After review by the [board] *department*, and if a housing project is involved, and if the need and feasibility of the proposed project has been demonstrated and where a suitable site is available and where adequate funds are available for allocation, the [board] *department* shall accept bids on housing construction and operation proposals covering such number and character of housing units, type of construction, site, rental ranges proposed, and such other requirements as are established by the [board] *department*. Each bid submitted shall stipulate the amount of State subsidy which would be required by the bidder to construct and operate the housing projects in accordance with the before mentioned requirements of the [board] *department*.

If the tentative allocation of grants in any area in the State does not energize action resulting in acceptable proposals within a reasonable time, as determined by the [board, the board] *department*, *the department* shall have power to reallocate, with the approval of the Governor, these grants to other areas in the Commonwealth, which as determined by the before mentioned standards, have effectively established an urgent need for additional housing facilities *or redevelopment programs*. Unused portions of these reallocations may be similarly reallocated at later dates so as to effectuate the purposes of this act.

In order to effectuate and enforce the provisions of this act, the [board] *department* is authorized to promulgate necessary rules and regulations.

**Section 9. [Board] *Department* Action on Bids.—**

The [board] *department* may reject any or all bids. It shall determine which of the acceptable bids made by responsible bidders will provide for erection and rental of the housing units in accordance with the terms of the [board's] *department's* request for bids at the lowest cost to the Commonwealth and shall notify the successful bidder which may be the sole bidder and shall, on behalf of the Commonwealth, after ratification by the Governor as provided in section ten of this act, enter into a contract with the successful bidder.

**Section 10. Ratification by the Governor.—**All bids accepted by the [board] *department* shall be transmitted to the Governor for his consideration and must be ratified by him before the [board] *department* may enter into contractual relations with the bidder. Upon ratification of a bid by the Governor, the [board] *department* is authorized to execute contracts effectuating the terms of the bid and proposal, embodying the provisions specified in section eleven of this act and providing for the payment of the capital grant.

**Section 11. Contracts.—**No State funds for capital grants under the provisions of section 4 (a) of this act shall be disbursed until the [State Planning Board] *department*, after ratification of the bid by the Governor, as specified in section ten, has entered into a contract with the bidder embodying suitable guarantees as to the erection, maintenance and management of the proposed housing project in accordance with the purposes of this act, and including provision for—

(1) the termination of the Commonwealth's powers and responsibilities with respect to said project after a specified term of not less than twenty-eight years;

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

(3) provisions that the scale of rentals and tenant income limitations originally agreed upon may at some later date be modified by action of the [board] *department*, upon petition by the bidder, so as to recognize charges in general or local economic conditions; and

(4) such other provisions as the [board] *department* determines are necessary to carry out the purposes of this act.

Section 12. Approval and Acquisition of Sites.—No housing project site shall be approved by the [board] *department* before the [board] *department* has received advice thereon from the planning commission, or if no planning commission shall exist, the governing body of the political subdivision in which the proposed site is located: Provided, however, That if such advice is not received from such local agency within a reasonable time, as defined by the [board] *department*, local approval shall be assumed.

All proposed housing project plans shall conform to the requirements of local zoning ordinances if any such have been adopted.

Sites for proposed housing projects may be optioned by the [board] *department* or may be acquired by gift or purchase either by negotiation or through exercise of its power of eminent domain. Such option or title to a proposed site may be transferred by the [board] *department* or its duly authorized agents to the agency, authority, corporation or firm with which the [board] *department* contracts for the building and operation of a housing project and may constitute part or all of the Commonwealth's subsidy of the project.

Section 13. Design, Construction and Inspection.—All architectural, engineering or site development plans for housing projects constructed under the provisions of this act shall be approved by the [State Planning Board] *department* or its duly accredited representatives before the work covered by the plans is undertaken.

Standards as to materials and construction techniques shall be as specified or approved by the [board] *department* and must conform to requirements of local codes.

The [board] *department* or its duly accredited representatives shall be allowed full access at reasonable times to every housing project initiated under the provisions of this act so as to permit a free inspection of materials, methods of construction, and standards of maintenance as required under the provisions of the contract.

Section 14. Redevelopment Proposals.—The governing body of a political subdivision may, by formal resolution, inform the [State Planning Board] *department* that [in its opinion the housing needs of the political subdivision may best be met through the expenditure of] *it desires* some or all of the State funds provided by this act and available for allocation in that area [on slum clearance and the] *for* redevelopment of blighted areas



rather than directly on subsidized construction of rental housing. If such action is taken by the governing body, a certified copy of the resolution shall be forwarded to the [State Planning Board] *department* and supplemented by a proposal of the governing body, which shall set forth the use to be made of any funds allocated to a redevelopment authority, and the amount of funds required. The use of said funds shall be for the purposes set forth in section 4 (b) of this act and without limiting the generality of the foregoing may be used for local contributions required by any Federal redevelopment law.

Unless and until said resolution is revoked, the [State Planning Board] *department* shall not enter into contractual relations regarding housing projects which would otherwise utilize the funds available for allocation in that political subdivision and proposed for expenditure on urban redevelopment by the governing body of the political subdivision: Provided, however, That if no satisfactory redevelopment proposal results within a reasonable time, as determined by the [board] *department*, said funds, after due notice to the governing body of the political subdivision, may be made available for other purposes authorized by this act.

The [State Planning Board] *department* shall review the proposal and if satisfied that the proposal is in accordance with the purposes of this act shall, with the approval of the Governor, enter into a grant agreement with the redevelopment authority subject to the condition that [it] *the grant* be used in accordance with the terms of the proposal. *The time of payment of the grant to the redevelopment authority shall be set forth in the grant agreement.*

[No moneys shall be paid under the grant agreement until said authority has entered into a redevelopment contract with a redeveloper in accordance with the provisions of the Urban Redevelopment Law. Said grant agreement may provide that the grant be revoked if no redevelopment contract is executed within a period of time stipulated in the agreement.]

Section 15. Cooperation with Other Agencies.—The [State Planning Board] *department* is directed to administer this housing program with such flexibility as to permit a full cooperation between State, Federal, and local governments, agencies, and authorities, as well as private interests, so as to result in as effective and economical a housing program as possible.

Section 16. Interdepartmental Cooperation.—The [board] *department* shall, at its request, receive the assistance of the Department of Property and Supplies in connection with the administration of this act, with

respect to investigation of proposed sites, optioning or acquisition of approved sites, preparation or analysis of plans and specifications, inspection of materials and inspection of construction for housing developments built under the provisions of this act.

[Section 17. Appropriations.—The sum of fifteen million dollars (\$15,000,000), or as much thereof as may be necessary, is hereby specifically appropriated to the Department of Commerce for the use of the State Planning Board for the purposes set forth in this act, and of this amount not more than three per cent shall be spent by the board for administration of this act, including payment to the Department of Property and Supplies for the cost of any services authorized by section 16 of this act.

Section 18. Effective Date.—This act shall become effective immediately upon final enactment.]

Transfer from  
State Planning  
Board to Depart-  
ment of Com-  
merce.

Section 4. All rights, duties and obligations acquired, imposed upon, or assumed by the State Planning Board, relative to housing and redevelopment, by virtue of any contract, agreement, regulation or ruling, made prior to the passage of this act, are transferred to the Department of Commerce, as well as any unexpended balance of funds heretofore appropriated to the Department of Commerce for the use of the State Planning Board for the purposes set forth in this act.

Appropriation.

Section 5. The sum of five million dollars (\$5,000,000), or as much thereof as is necessary, is appropriated to the Department of Commerce for the purposes set forth in section 4 (b) of the act of May twentieth, one thousand nine hundred forty-nine (Pamphlet Laws 1633), and for necessary costs of administration. The allocation of the appropriation to the various areas of the Commonwealth shall be as set forth in section eight of said act, except that prior to January one, one thousand nine hundred fifty-seven, no more than five hundred thousand dollars (\$500,000) shall be allocated to cities of the first class, no more than five hundred thousand dollars (\$500,000) shall be allocated to cities of the second class, and no more than three hundred fifty thousand dollars (\$350,000) shall be allocated to cities of the second class A. After January one, one thousand nine hundred fifty-seven, any funds unallocated or allocated but not under contract may be reallocated as heretofore provided in section eight of said act.

Act effective  
immediately.

Section 6. This act shall take effect immediately.

APPROVED—The 12th day of April, A. D. 1956.

GEORGE M. LEADER