

No. 1988-39

AN ACT

HB 931

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

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

Section 1. Section 2 of the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, is amended by adding clauses to read:

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

* * *

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

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

* * *

Section 2. Section 3(c.1) of the act, added June 26, 1968 (P.L.263, No.125), is amended and the section is amended by adding clauses to read:

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

* * *

(c.1) *“Commercial and Industrial Redevelopment Program.”—The 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.*

(c.2) *“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.*

[(c.1)] (c.3) *“Conservation.”—The process of preserving or restoring existing buildings, public facilities or other improvements to an economically and socially sound condition.*

* * *

(s) *“Residential Housing Redevelopment Program.”—The financing of the purchase, construction, rehabilitation, demolition 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.*

(t) *“Residential Housing Project.”—A facility within an area designated in the Residential Housing Redevelopment Program which provides residential housing.*

Section 3. Section 9(z) of the act is amended and the section is amended by adding clauses to read:

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:

* * *

(z) To make available to the government or municipality or any appropriate agency, board or commission, the recommendations of the Authority affecting any area in its field of operation or property therein, which it may deem likely to promote the public health, morals, safety or welfare.];

(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 the purchase, construction, rehabilitation, demolition or equipping of a residential housing or a commercial and industrial redevelopment program;*

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

Section 4. The act is amended by adding a section to read:

Section 11.1. Preparation and Provisions of a Residential Housing Redevelopment Program and Commercial and Industrial Redevelopment Program.—

(a) The Authority may develop a Residential Housing Redevelopment Program or a Commercial and Industrial Redevelopment Program for all or part of its field of operation.

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

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

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

Section 5. Section 12.1(a) and (e) of the act, added June 23, 1978 (P.L.556, No.94), are amended to read:

Section 12.1. Blighted Property Removal.—

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

* * *

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

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

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

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

[(4) No single vacant lot or parcel of ground shall be certified to the Redevelopment Authority under this section on which more than ten dwelling units can be constructed under existing zoning regulations.]

* * *

Section 6. Section 13.1 of the act is repealed.

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

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

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

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

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

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

Section 8. This act shall take effect immediately.

APPROVED—The 30th day of March, A. D. 1988.

ROBERT P. CASEY