

No. 304

AN ACT

HB 1630

Authorizing entities vested with the power of eminent domain to acquire replacement housing and to exercise their power of eminent domain therefor and to encourage and facilitate construction or rehabilitation of replacement housing by making loans and grants for planning and obtaining mortgage financing.

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

Section 1. Short Title.—This act shall be known as the “Housing Replacement Authorization Act.”

Section 2. Definitions.—As used in this act:

(1) “Acquiring agency” means any entity vested with the power of eminent domain by the laws of the Commonwealth, including the Commonwealth.

(2) “Displaced person” means any condemnee or other person not illegally in occupancy of real property who moves or moves his personal property as a result of the acquisition for a program or project of such real property, in whole or in part, or as the result of written notice from the acquiring agency of intent to acquire or order to vacate such real property.

(3) “Program or project” means any program or project undertaken by or for an acquiring agency as to which it has the authority to exercise the power of eminent domain.

Section 3. Housing Replacements by Acquiring Agency as Last Resort.—(a) If comparable replacement sale or rental housing is not available in the neighborhood or community in which a program or project is located and such housing cannot otherwise be made available, as so certified by the county commissioners or, in cities of the first class, by the city council, the acquiring agency may purchase, construct, reconstruct or otherwise provide replacement housing by use of funds authorized for such program or project and for such purpose may exercise its power of eminent domain to acquire property in fee simple or such lesser estate as it shall deem advisable.

(b) Replacement housing provided under this act may be sold, leased, or otherwise disposed of by the acquiring agency for or without consideration, to displaced persons or to nonprofit, limited dividend or cooperative organizations or public bodies, on such terms and conditions as the acquiring agency shall deem necessary and proper to effect the relocation of persons displaced by a program or project.

(c) The acquiring agency may contract with other public agencies, private individuals, partnerships, corporations and unincorporated associations for the financing, planning, acquisition, development,

construction, management, sale, lease or other disposition of replacement housing provided under this act.

Section 4. Planning and Other Preliminary Expenses for Replacement Housing.—In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of displaced persons, any governmental acquiring agency is authorized to make loans and grants to nonprofit, limited dividend or cooperative organizations or public bodies for necessary and reasonable expenses, prior to construction, for planning and obtaining mortgage financing for the rehabilitation or construction of housing for such displaced persons. Such loans and grants shall be made prior to the availability of financing, for such items as preliminary surveys and analyses of market needs, preliminary site engineering, preliminary architectural fees, legal, appraisal and organizational fees, site acquisition, application and mortgage commitment fees, construction loan fees and discounts, and similar items. Loans to an organization established for profit shall bear interest at market rate determined by the acquiring agency. All other loans and grants shall be without interest. The acquiring agency shall require repayment of loans and grants made under this section, under such terms and conditions as it may require, upon completion of the project or sooner; however, except in the case of a loan to an organization established for profit, the acquiring agency may cancel any part or all of a loan and may cancel the repayment provisions of a grant if it determines that a permanent loan to finance the rehabilitation or the construction of such housing cannot be obtained in an amount adequate for repayment of such loan.

Section 5. Availability of Funds.—Funds, including motor license funds and other special funds, appropriated or otherwise available to any acquiring agency for a program or project, which results in the displacement of any person on or after January 2, 1971, shall be available also for obligation and expenditure to carry out the provisions of this act.

Section 6. Effective Date.—This act shall take effect immediately.

APPROVED—The 6th day of December, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 304.



Secretary of the Commonwealth.