

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2174 Session of 2024

INTRODUCED BY FLEMING, HILL-EVANS, MADDEN, SANCHEZ, SCHLOSSBERG, SIEGEL, CURRY, BOROWSKI, POWELL, PROBST, MERSKI, KINSEY, KIM, DALEY, GREEN, CEPEDA-FREYTIZ, CERRATO, TAKAC, KHAN, SALISBURY AND PISCIOTTANO, APRIL 3, 2024

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, MAY 1, 2024

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes, in
3 Commonwealth Financing Authority, providing for Mixed-Use
4 Revitalization Program; and establishing the Mixed-Use
5 Revitalization Fund.

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

8 Section 1. Title 64 of the Pennsylvania Consolidated
9 Statutes is amended by adding a section to read:

10 § 1559. Mixed-Use Revitalization Program.

11 (a) Establishment.--The Mixed-Use Revitalization Program is
12 established in the department to:

13 (1) Increase corridor mixed-use development, including
14 affordable housing opportunities throughout this
15 Commonwealth.

16 (2) Maximize the leveraging of private and public
17 resources.

18 (3) Foster sustainable partnerships committed to

1 addressing community needs.

2 (4) Ensure that program resources are used to meet
3 community needs effectively and efficiently.

4 (5) Provide grants to projects that involve the
5 acquisition, redevelopment and revitalization of distressed,
6 unoccupied and blighted properties, including existing and
7 former malls.

8 (b) Eligibility.--To be eligible for a grant, a developer
9 must agree to provide matching funds of at least 25% of the
10 grant amount for the development.

11 (c) Application.--The department shall make available to an
12 eligible developer an application that requires information as
13 determined necessary by the department, to verify the need for
14 the development and to determine the amount of the grant.

15 (d) Determination.--Upon a determination of eligibility for
16 a grant, the department shall provide the developer with a
17 letter of commitment indicating the conditional grant amount.

18 (e) Advance.--The department shall pay the grant directly to
19 the municipality in which the project is located, and the
20 municipality shall disburse the grant to the developer in
21 accordance with this section. The grant payment shall be
22 advanced simultaneously on a pro rata basis with the required
23 matching funds delivered by the developer at the time of closing
24 or during construction as draw requests which are presented in a
25 timely manner, whichever occurs first.

26 (f) Repayment obligation.--By submitting an application for
27 a grant, the developer agrees that, if the application is
28 approved and the grant is awarded, the developer shall repay up
29 to 50% of the principal amount of the grant to the Commonwealth
30 when the development:

1 (1) has achieved stabilization; and
2 (2) recognizes any excess proceeds available from any
3 poststabilization refinancing activities. All amounts due
4 under the applicant's duty of repayment under this subsection
5 shall be paid to the Commonwealth within 120 days of the end
6 of the preceding calendar year.

7 (G) USE OF AMERICAN-MADE SUPPLIES.--

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8 (1) A DEVELOPER SHALL UTILIZE AMERICAN-MADE SUPPLIES IN
9 ANY DEVELOPMENT WHICH USES MONEY RECEIVED FROM THE PROGRAM.

10 (2) IF A DEVELOPER DETERMINES THAT A PARTICULAR SUPPLY
11 IS NOT AMERICAN-MADE, OR IS AMERICAN-MADE BUT NOT AVAILABLE
12 IN SUFFICIENT QUANTITIES TO MEET THE NEEDS OF THE DEVELOPER,
13 THE DEVELOPER SHALL NOTIFY THE MUNICIPALITY WHICH RECEIVED
14 THE ADVANCE PAYMENT UNDER SUBSECTION (E). IF THE GOVERNING
15 BODY OF THE MUNICIPALITY AGREES WITH THE DEVELOPER, THE
16 MUNICIPALITY SHALL PUBLISH A NOTICE OF THE DETERMINATION IN
17 NO LESS THAN TWO NEWSPAPERS OF GENERAL CIRCULATION WITHIN THE
18 MUNICIPALITY AND ON EACH OF THE MUNICIPALITY'S SOCIAL MEDIA
19 AND PUBLICLY ACCESSIBLE INTERNET WEBSITES.

20 (3) BEGINNING ON THE DATE OF PUBLICATION OF THE NOTICE
21 UNDER PARAGRAPH (2) AND UNTIL 30 DAYS THEREAFTER, A PERSON OR
22 BUSINESS MAY FILE AN OBJECTION TO THE DETERMINATION IN A FORM
23 AND MANNER DETERMINED BY THE GOVERNING BODY OF THE
24 MUNICIPALITY. A PERSON OR BUSINESS SHALL INCLUDE EVIDENCE OF
25 THE PARTICULAR SUPPLY BEING AMERICAN-MADE OR EVIDENCE OF THE
26 PARTICULAR SUPPLY BEING AMERICAN-MADE AND AVAILABLE IN
27 SUFFICIENT QUANTITIES. AN OBJECTION UNDER THIS PARAGRAPH
28 SHALL BE CONSIDERED AN APPEAL UNDER 2 PA.C.S. CH. 7 SUBCH. B
29 (RELATING TO JUDICIAL REVIEW OF LOCAL AGENCY ACTION).

30 (4) IF, AFTER THE ADJUDICATION OF THE OBJECTION UNDER

1 PARAGRAPH (3), THE DETERMINATION UNDER PARAGRAPH (2) IS
2 AFFIRMED, THE REQUIREMENTS UNDER PARAGRAPH (1) SHALL NOT
3 APPLY FOR THE PARTICULAR SUPPLY.

4 ~~(g)~~ (H) Other funding sources.--The department may not deny <--
5 approval of a grant application solely for the reason that the
6 developer intends to combine the grant money with money from
7 other available Federal, State, local or county programs.

8 ~~(h)~~ (I) Reporting.--The department shall provide a report <--
9 containing a list of the developments funded through the program
10 by July 1, 2025, to:

11 (1) The Governor.

12 (2) The Auditor General.

13 (3) The chairperson and minority chairperson of the
14 Urban Affairs and Housing Committee of the Senate and the
15 chairperson and minority chairperson of the Housing and
16 Community Development Committee of the House of
17 Representatives.

18 (4) The chairperson and minority chairperson of the
19 Community, Economic and Recreational Development Committee of
20 the Senate and the chairperson and minority chairperson of
21 the Commerce Committee of the House of Representatives.

22 ~~(i)~~ (J) Establishment of fund.--The Mixed-Use Revitalization <--
23 Fund is established in the State Treasury. The fund shall be
24 used by the department for grants.

25 ~~(j)~~ (K) Definitions.--As used in this section, the following <--
26 words and phrases shall have the meanings given to them in this
27 subsection unless the context clearly indicates otherwise:

28 "AMERICAN-MADE." PRODUCED, MANUFACTURED, MINED, GROWN OR <--
29 PERFORMED IN THE UNITED STATES. FOR THE PURPOSES OF THIS
30 DEFINITION, PRODUCED OR MANUFACTURED SHALL MEAN ASSEMBLED IN A

1 LOCATION WITHIN THE UNITED STATES.

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

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4 "Developer." A person that submits an application for a
5 grant.

6 "Development." A planned commercial and mixed-use project
7 that:

8 (1) Is situated on at least 15 acres.

9 (2) Is located in a low-income to moderate-income area.

10 (3) Contains at least 200,000 square feet of proposed
11 development that has not received a certificate of occupancy
12 as of the effective date of this paragraph.

13 "Grant." A grant awarded under this section.

14 "Program." The Mixed-Use Revitalization Program established
15 under this section.

16 "Stabilization." The point at which a development secures
17 conventional financing at terms that can support a debt service
18 coverage ratio of one and three tenths to one.

19 Section 2. This act shall take effect in 60 days.