

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1573 Session of 2023

INTRODUCED BY CIRESI, ROZZI, MADDEN, SANCHEZ, BOYD, SMITH-WADE-EL, PROBST, HILL-EVANS, HARKINS, BURGOS, KULIK, DELLOSO, HOWARD, SCHLOSSBERG, KINSEY, GUENST, BOROWSKI, PARKER, D. WILLIAMS, GREEN, NEILSON, FREEMAN, OTTEN, CERRATO, JAMES AND SAPPEY, JULY 18, 2023

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 20, 2024

AN ACT

1 Providing for the redevelopment of historic and older buildings;
2 AND establishing the Historic and Older Building <--
3 Redevelopment Assistance Grant Program and the Historic and
4 Older Building Redevelopment Fund; promulgating regulations; <--
5 and making a transfer.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Historic and
10 Older Building Redevelopment Assistance Grant Program Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Applicant." A person who PROPERTY OWNER OR DEVELOPER THAT <--
16 submits an application under section 3(d).

17 "Application." An application submitted under section 3(d).

1 "COMMISSION." THE PENNSYLVANIA HISTORICAL AND MUSEUM <--
2 COMMISSION.

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

5 "Developer." A person ~~whose purpose is the promotion or~~ <--
6 ~~construction of~~ THAT PROMOTES OR CONSTRUCTS redevelopment <--
7 projects and ~~who~~ is engaged in the development of real estate. <--

8 "Fund." The Historic and Older Building Redevelopment Fund
9 established under section 4(a).

10 "Grant." A grant awarded under this act.

11 "Historic" AND "OLDER building." A building located in this <--
12 Commonwealth ~~that qualifies as a certified historic structure~~ <--
13 ~~under 26 U.S.C. § 47(c)(3) (relating to rehabilitation credit).~~

14 ~~"Historic nature and traditional style." An older building~~
15 ~~or qualified historic building which may include architectural~~
16 ~~detailing, engineering achievements, vernacular style or few~~
17 ~~modifications affecting the original historic configuration and~~
18 ~~appearance of the property which offers commercial, cultural or~~
19 ~~community development to the municipality.~~

20 ~~"Older building." A building that is no less than 50 years~~
21 ~~old.~~ AND DOCUMENTED AS BEING LISTED IN OR ELIGIBLE FOR THE <--
22 NATIONAL REGISTER OF HISTORIC PLACES OR CONTRIBUTING TO A
23 NATIONAL REGISTER LISTED OR ELIGIBLE HISTORIC DISTRICT.

24 "HISTORIC CHARACTER." ALL OF THE VISUAL ASPECTS AND PHYSICAL
25 FEATURES THAT COMPRISE THE APPEARANCE OF A HISTORIC AND OLDER
26 BUILDING SUCH AS THE OVERALL SHAPE OF THE BUILDING, ITS
27 MATERIALS, CRAFTSMANSHIP, DECORATIVE DETAILS, INTERIOR SPACES
28 AND FEATURES, AS WELL AS THE VARIOUS ASPECTS OF ITS SITE AND
29 ENVIRONMENT.

30 "Program." The Historic and Older Building Redevelopment

1 Grant Program established under section 3(a).

2 "Project." The redevelopment, rehabilitation or enhancement
3 of a historic ~~or~~ AND older building for which a developer OR A <--
4 PROPERTY OWNER seeks a grant under this act.

5 ~~"Qualified municipality." A municipality with a median year <--
6 of structures built in 1955 or earlier.~~

7 "PROPERTY OWNER." AN OWNER OF RECORD EVIDENCED BY A PUBLICLY <--
8 RECORDED DEED AND AN EQUITABLE OWNER THAT CAN DEMONSTRATE AN
9 OWNERSHIP INTEREST IN A PROPERTY AS PROVIDED BY LAW, INCLUDING:

10 (1) AN INHERITED INTEREST IN A PROPERTY;

11 (2) A PARTY TO AN AGREEMENT OF SALE OR LONG-TERM
12 LEASEHOLD AGREEMENT;

13 (3) AN EQUITABLE OWNER OF RECORD PRIOR TO A FRAUDULENT
14 CONVEYANCE OF THE PROPERTY; AND

15 (4) A TRUST BENEFICIARY OR A PERSON HOLDING A PARTIAL
16 OWNERSHIP INTEREST IN THE PROPERTY SUCH AS TENANCY BY THE
17 ENTIRETY, JOINT TENANCY, TENANCY IN COMMON AND LIFE ESTATE.

18 "Redevelopment plan." A plan that provides for the
19 improvement of a historic ~~or~~ AND older building and meets the <--
20 requirements under section 3(e).

21 Section 3. Historic and Older Building Redevelopment Assistance
22 Grant Program.

23 (a) Establishment.--The Historic and Older Building
24 Redevelopment Assistance Grant Program is established within the
25 department.

26 (b) Administration.--The program shall be administered by
27 the department.

28 (c) Purpose.--The purpose of the program shall be to issue
29 grants ~~to eligible developers or property owners~~ for the <--
30 redevelopment, rehabilitation or enhancement of historic and

1 older buildings ~~in qualified municipalities~~ across this <--
2 Commonwealth.

3 (d) Application.--An applicant must submit a written grant
4 application to the department in a manner prescribed by the
5 department. The application must include the following
6 information:

7 (1) A detailed description of the project and how the
8 grant would be used, including any private OR PUBLIC sector <--
9 participation.

10 (2) A copy of the redevelopment plan required under
11 subsection (e).

12 (3) A statement of the ability to produce income once
13 the project is complete and an explanation of how the project
14 will contribute significantly to economic and community
15 redevelopment or the revitalization of adjacent communities.

16 (4) An explanation of how the project will provide for
17 historic preservation or commercial or recreational
18 opportunities for the public.

19 (5) If the project includes the purchase of property, an
20 identification of the intended use of the property and a
21 timeline for redevelopment of the property.

22 (6) The total cost of the project.

23 (7) A detailed description of the practices the
24 applicant will ~~implement and maintain~~ PERFORM to improve or <--
25 maintain the property and ~~improve or maintain~~ the historic <--
26 ~~nature and traditional style~~ CHARACTER of the property. <--

27 (8) A statement of favorable consideration or
28 endorsement OF THE PROJECT from a local nonprofit economic or <--
29 community development organization.

30 (9) A STATEMENT FROM THE COMMISSION WITH A DETERMINATION <--

1 THAT THE PROPERTY IS A HISTORIC AND OLDER BUILDING.

2 ~~(9)~~ (10) Evidence of a firm commitment from the <--
3 developer or property owner to use the project upon
4 completion.

5 ~~(10)~~ (11) If applicable, how the redevelopment will <--
6 increase accessibility for people with disabilities.

7 ~~(11)~~ (12) Other information that the department may <--
8 require.

9 (e) Redevelopment plan.--An applicant that applies for a
10 grant shall prepare a redevelopment plan. The redevelopment
11 plan, at a minimum, shall:

12 (1) Establish the project use ~~of~~ AS commercial, <--
13 industrial, transportation or multifamily residential
14 ~~purposes in a qualified municipality.~~ <--

15 (2) Involve at least one of the following primary
16 activities:

- 17 (i) Mechanical improvements.
- 18 (ii) Electrical improvements.
- 19 (iii) Plumbing system improvements.
- 20 (iv) Fire protection system improvements.
- 21 (v) Building egress or accessibility improvements.
- 22 (VI) STRUCTURAL IMPROVEMENTS. <--

23 (3) Clearly designate the property and areas included
24 within the redevelopment plan for the property.

25 (4) Identify the economic impact on the improved area,
26 the surrounding neighborhood and the municipality in which
27 the property is located.

28 (5) IDENTIFY ANY FEDERAL OR STATE LAW APPLICABLE TO <--
29 HISTORIC BUILDING PRESERVATION OR RESTORATION AND DISCUSS
30 PLANS FOR COMPLIANCE.

1 ~~(5)~~ (6) Provide any additional information as required <--
2 by the department for redevelopment plans.

3 (f) Publication and notice.--The department shall transmit
4 notice of the program's availability to the Legislative
5 Reference Bureau for publication in the next available issue of
6 the Pennsylvania Bulletin AFTER THE EFFECTIVE DATE OF THIS <--
7 SUBSECTION.

8 (g) Department action.--

9 (1) The department shall review an application and,
10 within ~~30~~ 90 days of receipt of an application, approve or <--
11 disapprove the application.

12 (2) In reviewing grant applications, the department
13 shall consider the following:

14 (i) Whether the project proposed to be funded is
15 authorized under this act.

16 (ii) Whether the application complies with this act.

17 (iii) Consistency of the project with the
18 redevelopment plan required under subsection (e) for the
19 area in which the property is located.

20 (iv) Additional historic preservation, commercial or
21 recreational opportunities for the public provided by the
22 project.

23 (v) Significant contribution by the project to the
24 municipality's economic and community redevelopment or
25 the revitalization of adjacent communities.

26 (vi) The viability of the redevelopment plan
27 required under subsection (e).

28 (vii) The level of public and private commitment and
29 other resources available for the project.

30 (viii) Other criteria that the department considers

1 relevant.

2 (h) Award of grants.--

3 (1) The department may issue a grant award to an
4 approved applicant for a project that contributes to the
5 redevelopment or revitalization of historic and older
6 buildings throughout this Commonwealth that meet any of the
7 following purposes:

8 (i) Provide for activities on the property
9 consistent with the project's redevelopment plan.

10 (ii) Provide for the demolition of buildings,
11 structures or other facilities on the property that ARE <--
12 NOT HISTORIC AND OLDER BUILDINGS OR DO NOT CONTRIBUTE TO
13 THE PROPERTY'S HISTORIC CHARACTER AND are inconsistent
14 with the project's redevelopment plan.

15 (iii) Provide for the acquisition of property or the
16 assembly of property consistent with the project's
17 redevelopment plan.

18 (iv) Provide public infrastructure and public
19 facility improvements to the property consistent with the
20 project's redevelopment plan.

21 (v) Provide for the improvement or maintenance of
22 the historical nature and traditional style of properties
23 within the municipality.

24 (2) The department shall award a grant of no less than
25 \$50,000 and no more than ~~\$200,000~~ \$500,000 OR AN AMOUNT EQUAL <--
26 TO 30% OF THE TOTAL PROJECT COST, WHICHEVER IS LESS, to each
27 eligible applicant, subject to the availability of funding.

28 (3) A project must be completed no later than two years
29 after the date of the grant. The department may grant a
30 redevelopment plan extension for up to six months.

1 Section 4. Historic and Older Building Redevelopment Fund.

2 (a) Establishment.--The Historic and Older Building
3 Redevelopment Fund is established as a nonlapsing fund within
4 the State Treasury. The fund shall be used by the department to
5 award grants in accordance with this act AND SHALL BE SUBJECT TO <--
6 APPROPRIATIONS BY THE GENERAL ASSEMBLY.

7 ~~(b) Initial transfer. No later than July 1, 2023,~~ <--
8 ~~\$25,000,000 shall be transferred from the General Fund to the~~
9 ~~fund.~~

10 ~~(c) (B) Alternative funding.--The department may solicit and~~ <--
11 ~~accept alternative funding, including Federal funds, grants and~~
12 ~~donations from any source to assist with the goals of this act.~~
13 All money received by the department under this subsection shall
14 be deposited into the fund.

15 ~~(d) Appropriation. All money deposited into the fund and~~ <--
16 ~~the interest that the money accrues is appropriated on a~~
17 ~~continuing basis to the department to award grants in accordance~~
18 ~~with this act.~~

19 (C) ADMINISTRATIVE EXPENSES.-- <--

20 (1) THE COMMISSION MAY USE NO MORE THAN 3% OF FUNDS
21 ALLOCATED FOR THE PROGRAM FOR ADMINISTRATIVE COSTS ASSOCIATED
22 WITH THE PROGRAM.

23 (2) THE DEPARTMENT MAY USE NO MORE THAN 3% OF FUNDS
24 ALLOCATED FOR THE PROGRAM FOR ADMINISTRATIVE COSTS ASSOCIATED
25 WITH THE PROGRAM.

26 SECTION 5. RECAPTURE.

27 THE DEPARTMENT MAY RECAPTURE ALL OR A PORTION OF A GRANT
28 AWARD, AS DETERMINED BY THE DEPARTMENT, IF THE PROJECT IS NOT
29 TIMELY COMPLETED AS PROVIDED IN SECTION 3(H) (3).

30 Section 5 6. Reports. <--

1 The department shall submit a report to the General Assembly
2 on expenditures from the fund and the progress of economic
3 development and rehabilitation of historic and older buildings
4 throughout this Commonwealth following the expiration of this
5 act. The report shall include the following information:

6 (1) The number of projects.

7 (2) The types of projects.

8 (3) The number and amount of grants.

9 (4) The economic impact of the program.

10 (5) Recommendations for the continuation or expansion of
11 the program.

12 (6) Any other information required by the department.

13 ~~Section 6. Rules and regulations.~~ <--

14 ~~The department may promulgate rules and regulations necessary~~
15 ~~to implement this act.~~

16 SECTION 7. GUIDELINES. <--

17 THE DEPARTMENT SHALL, IN CONSULTATION WITH THE COMMISSION,
18 DEVELOP GUIDELINES NECESSARY TO IMPLEMENT THIS ACT.

19 Section 7 8. Expiration OF GRANT AUTHORITY. <--

20 ~~This act shall expire two years following~~ THE DEPARTMENT MAY <--
21 NOT AWARD GRANTS BEGINNING TWO YEARS AFTER the effective date of
22 this section.

23 Section 8 9. Effective date. <--

24 This act shall take effect in 180 days.