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.

Compiler's Note: Section 301(a)(9) of Act 58 of 1996, which created the Department of Community and Economic Development and abolished the Department of Community Affairs, provided that housing, community assistance and other functions under Act 385 are transferred from the Department of Community Affairs to the Department of Community and Economic Development.

Compiler's Note: Section 1 of Act 165 of 1970 provided that the limits heretofore imposed by Act 385 upon the rates of interest and interest costs permitted to be paid upon bonds, obligations and indebtedness issued by the Commonwealth or its agencies or instrumentalities or authorities, and by local political subdivisions or their agencies or authorities, are hereby removed for such bonds, obligations or indebtedness.

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

Section 1. Short Title.--This act shall be known and may be cited as the "Urban Redevelopment Law."

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

(a) That there exist in urban communities in this Commonwealth areas which have become blighted because of the unsafe, unsanitary, inadequate or overcrowded condition of the dwellings therein, or because of inadequate planning of the area, or excessive land coverage by the buildings thereon, or the lack of proper light and air and open space, or because of the defective design and arrangement of the buildings thereon, or faulty street or lot layout, or economically or socially undesirable land uses.

(b) That such conditions or a combination of some or all of them have and will continue to result in making such areas economic or social liabilities, harmful to the social and economic well-being of the entire communities in which they exist, depreciating values therein, reducing tax revenues, and thereby depreciating further the general community-wide values.

(c) That the foregoing conditions are beyond remedy or control by regulatory processes in certain blighted areas, or portions thereof, and cannot be effectively dealt with by private enterprise under existing law without the additional aids herein granted, and that such conditions exist chiefly in areas which are so subdivided into small parcels and in divided ownerships that their assembly for purposes of clearance, replanning and redevelopment is difficult and impossible without the effective public power of eminent domain.

(c.1) That certain blighted areas, or portions thereof, may require total acquisition, clearance and disposition, subject to continuing controls as provided in this act, since the prevailing condition of decay may make impracticable the reclamation of the area by rehabilitation or conservation, and that other blighted areas, or portion thereof, through the means provided in this act, may be susceptible to rehabilitation or conservation or a combination of clearance and disposition and rehabilitation or conservation in such manner that the conditions and evils hereinbefore enumerated may be eliminated or remedied. ((c.1) amended June 26, 1968, P.L.263, No.125)

(d) That the replanning and redevelopment of such areas in accordance with sound and approved plans for their redevelopment will promote the public health, safety, convenience and welfare.

(e) That there exist within the Commonwealth both within and outside of certified redevelopment areas, properties which
have become derelict, abandoned or unfit for human habitation or other use by reasons of age, obsolescence, prolonged vacancy, dilapidation, deterioration, lack of maintenance and care or general neglect. ((e) added June 23, 1978, P.L.556, No.94)

(f) That such derelict properties individually and collectively constitute a blight and nuisance in the neighborhood; create fire and health hazards; are used for immoral and criminal purposes; constitute unreasonable interferences with the reasonable and lawful use and enjoyment of other premises in the neighborhood; are harmful to the social and economic well-being of any municipality; depreciate property values; and, generally jeopardize the health, safety and welfare of the public. ((f) added June 23, 1978, P.L.556, No.94)

(g) That there exists a serious shortage of decent, safe or sanitary housing accommodations and for related usages, and that the acquisition of blighted properties for residential and related uses, by eminent domain is a proper public purpose which will promote public health, safety and welfare. ((g) added June 23, 1978, P.L.556, No.94)

(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. ((h) added Mar. 30, 1988, P.L.304, No.39)

(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. ((i) added Mar. 30, 1988, P.L.304, No.39)

Therefore, it is hereby declared to be the policy of the Commonwealth of Pennsylvania to promote the health, safety and welfare of the inhabitants thereof by the creation of bodies corporate and politic to be known as Redevelopment Authorities, which shall exist and operate for the public purposes of the elimination of blighted areas through economically and socially sound redevelopment of such areas, as provided by this act, in conformity with the comprehensive general plans of their respective municipalities for residential, recreational, commercial, industrial or other purposes, and otherwise encouraging the provision of healthful homes, a decent living environment and adequate places for employment of the people of this Commonwealth. Such purposes are hereby declared to be public uses for which public money may be spent, and private property may be acquired by the exercise of the power of eminent domain.

(2 amended May 27, 1957, P.L.197, No.98)

**Compiler's Note:** Section 2 of Act 35 of 2006 provided that as much of section 2 as relates to condemnation of blighted premises and is inconsistent with Act 35 is repealed.
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.

(a) "Authority" or " Redevelopment Authority."--A public body and a body corporate and politic created and organized in accordance with the provisions of this act.

(b) "Bonds."--Any bonds, interim certificates, notes, debentures or other obligations of an Authority issued pursuant to this act.

(c) "City."--Any city of the first, second, second class A or third class. The term shall also include any borough with a population large enough for the borough to qualify for a charter as a city, separately from any town, township or other borough, under section 201 of the act of June 23, 1931 (P.L.932, No.317), known as "The Third Class City Code," for all purposes of this act. "The city" shall mean the particular city or such qualified borough for which a particular Authority is created. ((c) amended Mar. 24, 2004, P.L.152, No.16)

(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.1) added Mar. 30, 1988, P.L.304, No.39)

(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.2) added Mar. 30, 1988, P.L.304, No.39)

(c.3) "Conservation."--The process of preserving or restoring existing buildings, public facilities or other improvements to an economically and socially sound condition. ((c.3) amended Mar. 30, 1988, P.L.304, No.39)

(d) "County."--Any county of this Commonwealth, other than a county of the first class. "The county" shall mean the particular county for which a particular Authority is created.

(e) "Field of Operation."--The area within the territorial boundaries of the city or county for which a particular Authority is created: Provided, however, That the field of operation of any county authority shall not include a city having a redevelopment authority but may include, with the consent of any such city, parcels of land within the city limits which are necessary to the corporate purposes of the county authority or necessary to its successful redevelopment of a redevelopment area: And, provided further, That the field of operation of any authority may include parcels of land outside the territorial boundaries of the city or county, as the case may be, which are necessary to the corporate purposes of the authority or necessary to the successful redevelopment of a redevelopment area, with the consent of the governing body of the city or county and the municipality in which the said parcels are situated, as the case may be: Provided, however, That the field of operation of any Authority shall not include parcels of land outside the territorial boundaries of a county unless acquisition thereof has been approved by a majority of the electors voting in a primary or general election in the municipality in which said parcels are situated. ((e) amended June 26, 1968, P.L.263, No.125)
(f) "Governing Body."--In the case of a city, the city council or other legislative body thereof, and in the case of a county, the board of county commissioners or other legislative body thereof.

(g) "Government."--Includes the State and Federal Governments or any subdivision, agency or instrumentality corporate or otherwise of either of them.

(h) "Municipality."--Any county, city, borough or township.

(i) "Obligee of the Authority" or "Obligee."--Any bondholder, trustee or trustees for any bondholders, any lessor demising property to an Authority used in connection with a redevelopment project, or any assignee or assignees of such lessor's interest, or any part thereof, and the Federal Government, when it is a party to any contract with an Authority.

(j) "Planning Commission."--Any planning commission established by law for a municipality of this Commonwealth. "The Planning Commission" shall mean the particular planning commission of the city or county in which a particular Authority operates. Redevelopment authorities shall be substituted for planning commission in any city or county in which a planning commission does not exist.

(k) "Real Property."--Lands, lands under water, structures and any and all easements, air rights, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise. ((k) amended June 26, 1968, P.L.263, No.125)

(l) "Redeveloper."--Any individual, government, partnership or public or private corporation that shall enter or propose to enter into a contract with an Authority for the redevelopment of an area, or any portion thereof, or any building or structure thereon, under the provisions of this act. ((l) amended June 26, 1968, P.L.263, No.125)

(m) "Redevelopment."--Undertakings and activities for the elimination of blighted areas. Such undertakings and activities may include the planning, replanning, acquisition, rehabilitation, conservation, renewal, improvement, clearance, sale, lease or other disposition of real property, buildings or other improvements in blighted areas, or portions thereof, the relocation of businesses and families affected thereby into or outside of a redevelopment area, or any combination of such undertakings and activities, the installation, construction or reconstruction of streets, utilities, parks, playgrounds and other improvements necessary for carrying out in the blighted area the objectives of this act in accordance with the redevelopment area plan, and carrying out plans for a program of voluntary repair, rehabilitation, and conservation of real property, buildings or other improvements in accordance with the redevelopment area plan. ((m) amended June 26, 1968, P.L.263, No.125)

(n) "Redevelopment Area."--Any area, whether improved or unimproved, which a planning commission may find to be blighted because of the existence of the conditions enumerated in section two of this act so as to require redevelopment under the provisions of this act.

(o) "Redevelopment Area Plan."--A plan for the redevelopment of all or a part of a redevelopment area made by a planning commission in accordance with the provisions of section ten of this act. ((o) amended June 26, 1968, P.L.263, No.125)
(p) "Redevelopment Contract."--A contract between an Authority and a redeveloper for the redevelopment of an area under the provisions of this act.

(q) "Redevelopment Project" or "Project."--A project undertaken by a redeveloper under a contract with an Authority in accordance with the provisions of this act.

(r) "Redevelopment Proposal."--A proposal, including a copy of the redevelopment area plan and supporting data submitted for approval to the governing body by an Authority, for the redevelopment of all or any part of a redevelopment area. ((r) amended May 31, 1955, P.L.107, No.33)

(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. ((s) added Mar. 30, 1988, P.L.304, No.39)

(t) "Residential Housing Project."--A facility within an area designated in the Residential Housing Redevelopment Program which provides residential housing. ((t) added Mar. 30, 1988, P.L.304, No.39)

Section 4. Formation of Authorities.--

(a) There are hereby created separate and distinct bodies corporate and politic, one for each city and one for each county of the Commonwealth, as herein defined. Each such body shall be known as the Redevelopment Authority of the city or the county, as the case may be, but shall in no way be deemed to be an instrumentality of such city or county, or engaged in the performance of a municipal function. Each such Authority shall transact no business or otherwise become operative until and unless a finding is made as hereinafter provided in this section.

(b) At any time after passage of this act the governing body of any city or county may find and declare by proper ordinance or resolution that there is need for an Authority to function within the territorial limits of said city or county, as the case may be.

(c) The governing body shall cause a certified copy of such ordinance or resolution to be filed with the Department of State and a duplicate thereof with the Department of Community Affairs; upon receipt of the said certificate the Secretary of the Commonwealth shall issue a certificate of incorporation. ((c) amended June 26, 1968, P.L.263, No.125)

(d) In any suit, action or proceeding involving or relating to the validity or enforcement of any contract or act of an Authority, a copy of the certificate of incorporation duly certified by the Department of State shall be admissible in evidence and shall be conclusive proof of the legal establishment of the Authority.

Section 4.1. Dissolution of City Authorities.--If a city authority has never issued any bonds, or incurred any other debts or contractual obligations, or has paid and has been released from and discharged of all debts and bonded, contractual and other obligations, the governing body of the city may, after three years from the date of the certificate described in subsection (c) of section 4, or earlier if a proper resolution of the authority requests the action hereinafter described, find and declare by proper resolution that its functions can be more properly carried out by a county authority and that there is no longer any need for the authority created for such city to function. In such case the governing body shall issue a certificate reciting the adoption of such resolution,
and shall cause such certificate to be filed with the Department of State and two duplicates thereof with the Department of Community Affairs. Upon such filing the city authority shall cease to function, and title to any assets held by the authority at that time shall pass to the city. A copy of the certificate described in this section shall be admissible in any suit, action or proceeding and shall be conclusive proof that the authority has ceased to be in existence.

(4.1 added Nov. 16, 1967, P.L.498, No.243)

Section 4.2. Dissolution of County Authorities.--If a county authority has never issued any bonds, or incurred any other debts or contractual obligations, or has paid and has been released from and discharged of all debts and bonded, contractual and other obligations, the governing body of the county may, after three years from the date of the certificate described in subsection (c) of section 4, or earlier if a proper resolution of the authority requests the action hereinafter described, find and declare by proper resolution that there is no longer any need for the authority created for such county to function. In such case the governing body shall issue a certificate reciting the adoption of such resolution, and shall cause such certificate to be filed with the Department of State and two duplicates thereof with the Department of Community Affairs. Upon such filing the county authority shall cease to function, and title to any assets held by the authority at that time shall pass to the county. A copy of the certificate described in this section shall be admissible in any suit, action or proceeding and shall be conclusive proof that the authority has ceased to be in existence.

(4.2 added Nov. 16, 1967, P.L.498, No.243)

Section 5. Appointment and Qualifications of Members of Authority.--Upon certification of a resolution declaring the need for an Authority to operate in a city or county, the mayor or board of county commissioners thereof, respectively, shall appoint, as members of the Authority, five citizens who, except in the case of cities of the third class, shall be residents of the city or county in which the Authority is to operate. In the case of a city of the third class, a majority of the members of the Authority shall be residents of the city, and the remainder may be nonresidents who own and operate businesses in the city in which the Authority is to operate.

(5 amended Nov. 23, 2004, P.L.943, No.137)

Section 6. Tenure and Compensation of Members of Authority.--The members who are first appointed shall serve for terms of one, two, three, four and five years, respectively, from the date of their appointment as shall be specified at the time of their appointment. Thereafter, the term of office shall be five years. A member shall hold office until his successor has been appointed. Vacancies for unexpired terms shall be promptly filled by the appointing power. A member shall receive no compensation for his services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties.

Section 7. Organization of Authority.--The members of an Authority shall select from among themselves a chairman, a vice-chairman, and such other officers as the Authority may determine. An Authority may employ a secretary, an executive director, its own counsel and legal staff, and such technical experts, and such other agents and employes, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation of such persons. Three members of an Authority shall constitute a quorum for its
meetings. Members of an Authority shall not be liable personally on the bonds or other obligations of the Authority, and the rights of creditors shall be solely against such Authority. An Authority may delegate to one or more of its agents or employes such of its powers as it shall deem necessary to carry out the purposes of this act, subject always to the supervision and control of the Authority.

Section 8. Interest of Members or Employes.--No member or employe of an Authority shall acquire any interest, direct or indirect, in any redevelopment project or in any property included or planned to be included in any redevelopment area, or in any area which he may have reason to believe may be certified to be a redevelopment area, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by an Authority, or in any contract with a redeveloper or prospective redeveloper relating, directly or indirectly, to any redevelopment project. The acquisition of any such interest in a redevelopment project or in any such property or contract shall constitute misconduct in office. If any member or employe of an Authority shall already own or control any interest, direct or indirect, in any property later included or planned to be included in any redevelopment project under the jurisdiction of the Authority, or has any such interest in any contract for material or services to be furnished or used in connection with any redevelopment project, he shall disclose the same in writing to the Authority and to the Department of Community Affairs and the local governing body, and such disclosure shall be entered in writing upon the minute books of the Authority. Failure to make such disclosure shall constitute misconduct in office.

(8 amended June 26, 1968, P.L.263, No.125)

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:

(a) To procure from the planning commission the designation of areas in need of redevelopment and its recommendations for such redevelopment;

(b) To study the recommendations of the planning commission for redevelopment of any area and to make its own additional investigations and recommendations thereon; to initiate preliminary studies of possible redevelopment areas to make and assist in implementing (1) plans for carrying out a program of voluntary repair, rehabilitation and conservation of real property, buildings and improvements, (2) plans for the enforcement of laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements, (3) plans for the relocation of persons (including families, business concerns and others) displaced by any other Government activities related to the purposes of this act or any activities of the Authority, (4) preliminary plans outlining redevelopment activities for neighborhoods to embrace two or more redevelopment areas, and (5) preliminary surveys to determine if the undertaking and carrying out of a redevelopment project are feasible. ((b) amended June 26, 1968, P.L.263, No.125)

(c) To cooperate with any government, school district or municipality; ((c) amended June 26, 1968, P.L.263, No.125)
(d) To act as agent of the State or Federal Government or any of its instrumentalities or agencies for the public purposes set out in this act;

(e) To arrange or contract with any municipality located, in whole or in part, within the Authority's field of operation, or with the State or Federal Government for the furnishing, planning, replanning, constructing, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities, or for the acquisition by such municipality, or State or Federal Government of property options or property rights or for the furnishing of property or services in connection with a redevelopment area;

(f) To arrange or contract with the Commonwealth, its agencies, and any municipality to the extent that it is within the scope of their respective functions--(1) to cause the services customarily provided by each of them to be rendered for the benefits of such Authority or the occupants of any redevelopment area; and (2) to provide and maintain parks, recreational centers, schools, sewerage, transportation, water and other municipal facilities adjacent to or in connection with redevelopment areas; and (3) to plan, replan, zone or rezone any part of the municipality in connection with any redevelopment proposal of the Authority;

(g) To enter upon any building or property in order to make surveys or soundings;

(h) To assemble, purchase, obtain options upon, acquire by gift, grant, bequest, devise or otherwise any real or personal property or any interest therein from any person, firm, corporation, municipality or government: Provided, That no real property, located outside of a redevelopment area, which is not necessary to the corporate purposes of the Authority nor necessary to the successful redevelopment of a redevelopment area, shall be purchased by the Authority. ((h) amended June 26, 1968, P.L.263, No.125)

(i) To acquire by eminent domain any real property, including improvements and fixtures for the public purposes set forth in this act, in the manner hereinafter provided, except real property located outside a redevelopment area; ((i) amended Dec. 1, 1959, P.L.1637, No.603)

(j) To own, hold, clear, improve and manage real property;

(k) To sell, lease or otherwise transfer any real property located outside of a redevelopment area and, subject to approval by the local governing body, any real property in a redevelopment area: Provided, That with respect to a redevelopment area the Authority finds that the sale, lease or other transfer of any part will not be prejudicial to the sale or lease of the other parts of the redevelopment area, nor be in any other way prejudicial to the realization of the redevelopment proposal approved by the governing body. ((k) amended May 27, 1957, P.L.197, No.98)

(l) To reimburse for their reasonable expenses of removal, any persons (including families, business concerns and others), who have been displaced as a result of any other Government activities related to the purposes of this act or any activities of the Authority; ((l) amended June 26, 1968, P.L.263, No.125)

(m) To insure or provide for the insurance of any property or operations of the Authority against any risks or hazards;

(n) To procure or agree to the procural of insurance or guarantees from the State or Federal Government of the payment of any debts or parts thereof incurred by the Authority, and to pay premiums in connection therewith;
(o) To borrow from private lenders or from the State or Federal Government funds, as may be necessary, for the operation and work of the Authority;
(p) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in such investments as may be lawful for executors, administrators, guardians, trustees and other fiduciaries under the laws of this Commonwealth;
(g) To sue and be sued;
(r) To adopt a seal and to alter the same at pleasure;
(s) To have perpetual succession;
(t) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the Authority; and any contract or instrument when signed by the chairman or vice-chairman of the Authority, or by an authorized use of their facsimile signatures, and by the secretary or assistant secretary, or, treasurer or assistant treasurer of the Authority, or by an authorized use of their facsimile signatures, shall be held to have been properly executed for and on its behalf; ((t) amended June 6, 1963, P.L.79, No.54)
(u) To make and from time to time to amend and repeal by-laws, rules, regulations and resolutions;
(v) To conduct examinations and investigations and to hear testimony and take proof, under oath or affirmation, at public or private hearings, on any matter material for its information;
(w) To authorize any member or members of the Authority to conduct hearings and to administer oaths, take affidavits and issue subpoenas;
(x) To issue subpoenas requiring the attendance of witnesses and the production of books and papers pertinent to any hearing before the Authority, or before one or more members of the Authority appointed by it to conduct such hearing;
(y) To apply to any court having territorial jurisdiction of the offense to have punished for contempt any witness, who refuses to obey a subpoena, or who refuses to be sworn or affirmed, or to testify, or, who is guilty of any contempt after summons to appear;
(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; ((z) amended Mar. 30, 1988, P.L.304, No.39)
(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; ((aa) added Mar. 30, 1988, P.L.304, No.39)
(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. ((bb) added Mar. 30, 1988, P.L.304, No.39)

Section 10. Preparation and Adoption of Redevelopment Proposal.--

(a) An Authority shall prepare a redevelopment proposal for all or part of any area certified by the planning commission to be a redevelopment area and for which the planning commission has made a redevelopment area plan. ((a) amended June 26, 1968, P.L.263, No.125)

(b) The planning commission's certification of a redevelopment area shall be made in conformance with its comprehensive general plan (which may include, inter alia, a plan of major traffic arteries and terminals and a land use plan and projected population densities) for the territory under its jurisdiction or for any greater area for which the field of operation of the Authority has been extended under clause (e) of section 3 of this act. ((b) amended June 26, 1968, P.L.263, No.125)

(c) The planning commission's redevelopment area plan shall include, without being limited to, the following:

(1) The boundaries of the area, with a map showing the existing uses of the real property therein;

(2) A land use plan of the area showing proposed uses following redevelopment;

(3) Standards of population densities, land coverage and building intensities in the proposed redevelopment;

(4) A preliminary site plan of the area;

(5) A statement of the proposed changes, if any, in zoning ordinances or maps;

(6) A statement of any proposed changes in street layouts, street levels, and proposed traffic regulation, including the separation or excluding of vehicular traffic partially or totally from pedestrian traffic; ((6) amended June 26, 1968, P.L.263, No.125)

(7) A statement of the extent and effect of the rehousing of families which may be made necessary from the redevelopment area plan, and the manner in which such rehousing may be accomplished;

(8) A statement of the estimated cost of acquisition of the redevelopment area, and of all other costs necessary to prepare the area for redevelopment;

(9) A statement of such continuing controls as may be deemed necessary to effectuate the purposes of this act.

(d) In conformity with such redevelopment area plan, the Authority shall prepare a proposal for the redevelopment of all or part of such area. The Authority may, if it deems it desirable, hold public hearings prior to its final determination of the redevelopment proposal. ((d) amended May 31, 1955, P.L.107, No.33)

(e) The Authority shall submit the redevelopment proposal to the planning commission for review. The planning commission shall, within forty-five days, certify to the governing body its recommendation on the redevelopment proposal, either of
approval, rejection or modification, and in the latter event, specify the changes recommended.

(f) Upon receipt of the planning commission's recommendation, or at the expiration of forty-five days, if no recommendation is made by the planning commission, the Authority shall submit to the governing body the redevelopment proposal with the recommendation, if any, of the planning commission thereon.

(g) The governing body upon receipt of the redevelopment proposal and the recommendation, if any, of the planning commission shall hold a public hearing upon said proposal. Notice of the time, place and purpose of such hearing shall be published at least once each week for three consecutive weeks in a newspaper of general circulation in the field of operation of the Authority, the time of the hearing to be at least ten days from the last publication of notice. The notice shall describe that portion of the redevelopment area affected by the proposal by boundaries and by city block, street and house number. The redevelopment proposal with such maps, plans, contracts or other documents as form part of said proposal, together with the recommendation, if any, of the planning commission and supporting data shall be available for public inspection for at least ten days prior to the hearing.

At the hearing the governing body shall afford an opportunity to all persons or agencies interested to be heard and shall receive, make known and consider recommendations in writing with reference to the redevelopment proposal.

((g) amended May 27, 1957, P.L.197, No.98)

(h) The governing body shall approve or reject the redevelopment proposal as submitted. The governing body shall not approve a redevelopment proposal unless it is satisfied that adequate provisions will be made to rehouse displaced families, if any, without undue hardship, or if the municipality in which the project is to be located has filed its objections thereto. ((h) amended May 31, 1955, P.L.107, No.33)

(i) Upon approval by the governing body of the redevelopment proposal, as submitted by the Authority, the Authority is authorized to take such action as may be necessary to carry it out. ((i) amended May 31, 1955, P.L.107, No.33)

(j) The redevelopment proposal may contain the form of the redevelopment contract with the redeveloper selected and upon approval by the governing body of the proposal, as hereinbefore provided, the Authority is authorized to execute the said redevelopment contract. If the proposal does not contain the form of the redevelopment contract with the redeveloper selected, the Authority shall not execute a redevelopment contract with a redeveloper thereafter selected, until the said redevelopment contract shall have been approved by the governing body and found to be in substantial conformity with the proposal theretofore approved by the governing body. No additional public hearing notice or publication shall be required with respect to such approval. ((j) added May 31, 1955, P.L.107, No.33)

Section 11. Provisions of the Redevelopment Contract.--

(a) The contract between the Authority and a redeveloper shall contain, without being limited to, the following provisions:

(1) A legal description of the redevelopment area covered by the contract, and a covenant running with land to the effect that no person shall be deprived of the right to live in the redevelopment project, or to use any of the facilities therein by reason of race, creed, color or national origin, and such
other easements, or other rights as are to be reserved therein by the Authority;

(2) Plans and such other documents as may be required to show the type, material, structure and general character of the redevelopment project;

(3) A statement of the use intended for each part of the project;

(4) A guaranty of completion of the redevelopment project within specified time limits, which guaranty shall include provisions for the forfeiture of title, in such form and manner as the Authority may prescribe, in the event that the project is not completed timely;

(4-1) A requirement that every prime contract for construction, installation, alteration, repair of, or addition to, the redevelopment project, where the estimated cost shall exceed $10,000.00, shall contain a provision obligating the prime contractor to the prompt payment of all material furnished, labor supplied or performed, rental for equipment employed, and services rendered by public utilities in or in connection with the prosecution of the work, whether or not, the said material, labor, equipment and services enter into and become component parts of the work or improvement contemplated. Such provision shall be deemed to be included for the benefit of every person, co-partnership, association or corporation, who as subcontractor, or otherwise, has furnished material, supplied or performed labor, rented equipment, or supplied services in or in connection with the prosecution of the work as aforesaid, and the inclusion thereof in any contract shall preclude the filing by any such person, co-partnership, association or corporation of any mechanics' lien claim for such material, labor or rental of equipment, and further requiring that the redeveloper shall provide to the Authority evidence of financial security for the prompt payment by the prime contractor for materials, supplies, labor, services and equipment. Such financial security shall equal 100% of the contract amount, shall be in such form as the Authority may prescribe and may include, but not be limited to, any one or a combination of the following:

(i) an appropriate bond from a surety company authorized to do business in this Commonwealth;

(ii) an irrevocable letter of credit from a Federal or Commonwealth-chartered lending institution; or

(iii) a restrictive or escrow account;

(5) A provision that the redeveloper shall be without power to sell, lease or otherwise transfer the redevelopment area, or project, or any part thereof, without the prior written consent of the Authority, until the Authority shall have certified in writing that the redevelopment project has been completed;

(5-1) For all projects in which the estimated construction costs exceed $1,000,000.00, a requirement that the redeveloper shall provide to the Authority, and shall cause each prime contractor to provide or submit to, a project cost certification performed by one or more independent, third-party certified public accountants establishing the actual total construction costs incurred and paid by the redeveloper and each prime contractor in connection with the redevelopment project. The receipt of the construction cost certification shall be a condition for receiving a certificate of completion;

(6) The amount of the consideration to be paid by the redeveloper to the Authority;
(7) Adequate safeguards for proper maintenance of all parts of the project;
(8) Prohibition against discrimination in the use, sale or lease of any part of the project against any person because of race, color, religion or national origin;
(9) Such other continuing controls as may be deemed necessary to effectuate the purposes of this act;
(b) Any deed or lease to a redeveloper in furtherance of a redevelopment contract shall be executed in the name of the Authority, by its proper officers, and shall contain in addition to all other provisions, such provisions as the Authority may deem desirable to run with the land in order to effectuate the purposes of this act;
(c) Any lease to a redeveloper may provide that all improvements shall become the property of the Authority. The execution of such a lease shall not in itself impose upon the Authority any liability for or by reason of the financing, construction, management or operation of any redevelopment project.
(11 amended Jan. 12, 2004, P.L.1, No.1)

Compiler's Note: Section 4 of Act 113 of 2002, which amended section 11, provided that the amendment of section 11 shall apply to contracts entered into after the effective date of Act 113.

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.
(11.1 added Mar. 30, 1988, P.L.304, No.39)

Section 12. Eminent Domain.--Title to any property acquired by an Authority through eminent domain shall be an absolute or fee simple title, unless a lesser title shall be designated in the eminent domain proceedings. The Authority may exercise the right of eminent domain in the manner provided by law for the exercise of such right by cities or counties, as the case may be, of the same class as the city or county in which such Authority is organized to operate. If any of the real property in the redevelopment area which is to be acquired has, prior to such acquisition, been devoted to another public use, it may, nevertheless, be acquired by condemnation: Provided, That no real property belonging to a city, county or to the Commonwealth may be acquired without its consent. No real property belonging to a public utility corporation may be acquired without the approval of the Public Utility Commission.

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 reuse and commercial or industrial reuse. This power shall be exercised in accord with the procedures set forth in this section.

(b) Such power on the part of any Redevelopment Authority shall be conditioned upon the creation or existence of a blighted property review committee by ordinance of the governing body of the municipality. The committee shall be made up of members as determined in the said ordinance, but shall include at least one member of the governing body, a representative of the Redevelopment Authority, a representative of the appropriate planning commission, and a representative to be designated by the chief executive officer or officers from the executive branch of the government of the municipality.

(c) Blighted property shall include:

(1) Any premises which because of physical condition or use is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the local housing, building, plumbing, fire and related codes.

(2) Any premises which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe fences or structures.

(3) Any dwelling which because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the municipality, has been designated by the department responsible for enforcement of the code as unfit for human habitation.

(4) Any structure which is a fire hazard, or is otherwise dangerous to the safety of persons or property.

(5) Any structure from which the utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

(6) Any vacant or unimproved lot or parcel of ground in a predominantly built-up-neighborhood, which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris, or a haven for rodents or other vermin.

(7) Any unoccupied property which has been tax delinquent for a period of two years prior to the effective date of this act, and those in the future having a two year tax delinquency.

(8) Any property which is vacant but not tax delinquent, which has not been rehabilitated within one year of the receipt of notice to rehabilitate from the appropriate code enforcement agency.

(9) Any abandoned property. A property shall be considered abandoned if:

(i) it is a vacant or unimproved lot or parcel of ground on which a municipal lien for the cost of demolition of any structure located on the property remains unpaid for a period of six months;

(ii) it is a vacant property or vacant or unimproved lot or parcel of ground on which the total of municipal liens on the property for tax or any other type of claim of the municipality are in excess of 150% of the fair market value of the property as established by the Board of Revisions of Taxes or other body with legal authority to determine the taxable value of the property; or
(iii) the property has been declared abandoned by the owner, including an estate that is in possession of the property.
(d) Residential and related use shall include residential property for sale or rental and related uses, including, but not limited to, park and recreation areas, neighborhood community service, and neighborhood parking lots.
(e) The 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. A property shall be considered vacant if:
   (i) the property is unoccupied or its occupancy has not been authorized by the owner of the property;
   (ii) in the case of an unimproved lot or parcel of ground, a lien for the cost of demolition of any structure located on the property remains unpaid for a period of six months; or
   (iii) in the case of an unimproved lot or parcel of ground, the property has remained in violation of any provision of local building, property maintenance or related codes applicable to such lots or parcels, including licensing requirements, for a period of six months.
(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.
(f) Acquisition and disposition of blighted property under this section shall not require preparation, adoption or approval of a redevelopment area plan or redevelopment proposal as set forth in section 10, but at least thirty days prior to acquisition of any property under this section, the Redevelopment Authority shall transmit identification of the property to the planning commission of the municipality and shall request a recommendation as to the appropriate reuse of the property. The Redevelopment Authority shall not acquire the property where the planning commission certifies that disposition for residential or related use would not be in accord with the comprehensive plan of the municipality.
(g) Power of eminent domain shall be exercised pursuant to a resolution of the Redevelopment Authority and the procedure set forth in the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the "Eminent Domain Code," as amended.
(h) Property disposed of within a redevelopment area shall be disposed of under a redevelopment contract in accordance with the provisions of this act.
Property disposed of outside an urban renewal project area shall be disposed of by deed in accordance with the provisions set forth in applicable law.


Section 13. Bonds of an Authority.--An Authority shall have power to issue bonds for any of its corporate purposes, the principal and interest of which are payable from its revenues generally. Any of such bonds may be secured by a pledge of any revenues, including grants or contributions from the Federal or State Government, or any agency, and instrumentality thereof, or by a mortgage of any property of the Authority.

The bonds issued by an Authority are hereby declared to have all the qualities of negotiable instruments under the law merchant and the negotiable instruments law of the Commonwealth of Pennsylvania.

The bonds of an Authority created under the provisions of this act and the income therefrom shall at all times be free from taxation for State or local purposes under any law of this Commonwealth.

Neither the members of an Authority nor any person executing the bonds shall be liable personally on any such bonds by reason of the issuance thereof. Such bonds or other obligations of an Authority shall not be a debt of any municipality or of the Commonwealth, and shall so state on their face, nor shall any municipality or the Commonwealth nor any revenues or any property of any municipality or of the Commonwealth be liable therefor.


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 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.

(14 amended Mar. 30, 1988, P.L.304, No.39)

Section 15. Provisions of Bonds, Trust, Indentures and Mortgages.--In connection with the issuance of bonds or the incurring of obligations under leases, and in order to secure
the payment of such bonds or obligations, an Authority in addition to its other powers shall have power:

(a) To pledge all or any part of its gross or net revenues to which its right then exists or may thereafter come into existence;

(b) To mortgage all or any part of its real or personal property then owned or thereafter acquired;

(c) To covenant against pledging all or any part of its revenues, or, against mortgaging all or any part of its real or personal property to which its right or title exists or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any of its real property, and to covenant as to what other or additional debts or obligations may be incurred by it;

(d) To covenant as to the bonds to be issued and as to the issuance of such bonds, in escrow, or otherwise, and as to the use and disposition of the proceeds thereof, to provide for the replacement of lost, destroyed or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest thereon, and to redeem the bonds, and to covenant for their redemption, and to provide the terms and conditions thereof;

(e) To covenant, subject to the limitations contained in this act, as to the amount of revenues to be raised each year, or other period of time, as well as to the use and disposition to be made thereof, to create or to authorize the creation of special funds for debt, service or other purposes, and to covenant as to the use and disposition of the moneys held in such funds;

(f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given;

(g) To covenant as to the use of any or all of its real or personal property, to warrant its title, and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

(h) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition or obligation, and to covenant and prescribe, in the event of default, as to terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

(i) To vest in a trustee, or the holders of bonds, or any proportion of them, the right to enforce the payment of the bonds or any covenants securing or relating to the bonds, to vest in a trustee the right, in the event of a default by the Authority, to take possession and use, operate and manage any real property and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the Authority with said trustee, to provide for the powers and duties of a trustee and to limit liabilities thereof, and, to provide the terms and conditions upon which the trustee or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds;

(j) To exercise all or any part or combination of the powers herein granted, to make covenants other than and in addition
to the covenants herein expressly authorized, to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or in the absolute discretion of the Authority, as will tend to accomplish the purposes of this act, by making the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

Section 16. Remedies of an Obligee of Authority.--An obligee of an Authority shall have the right, in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee:

(a) By mandamus, suit, action or proceeding at law or in equity to compel the Authority and the members, officers, agents or employes thereof to perform each and every term, provision and covenant contained in any contract of the Authority with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements of the Authority, and the fulfillment of all duties imposed upon the Authority by this act;

(b) By proceeding in equity to obtain an injunction against any acts or things which may be unlawful, or the violation of any of the rights of such obligee of the Authority.

Section 17. Additional Remedies Conferrable by Authority.--An Authority shall have power by its resolution, trust, indenture, mortgage, lease or other contract to confer upon any obligees holding or representing a specified percentage in bonds, or holding a lease, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction.--

(a) To obtain the appointment of a receiver of any real property of the Authority and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of such real property, operate the same and collect and receive all revenues or other income thereafter arising therefrom, and shall keep such moneys in a separate account and apply the same in accordance with the obligations of the Authority as the court shall direct;

(b) To require the Authority, and the members thereof, to account as if it and they were the trustees of an express trust.

Section 18. Aid from Government.--In addition to the powers conferred upon an Authority by other provisions of this act, an Authority is empowered to borrow money or accept grants or other financial assistance from the Government, for or in aid of any of its operations. It is the purpose and intent of this act to authorize every Authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Government in any of its operations.

(18 amended June 26, 1968, P.L.263, No.125)

Section 19. Records and Reports.--

(a) The books and records of an Authority shall at all times be open and subject to inspection by the Department of Community Affairs;

(b) An Authority may file with the Department of Community Affairs such information and reports as it may from time to time deem desirable, and shall file with them;

(1) A copy of all by-laws and rules and regulations and amendments thereto, adopted by it, from time to time.

(2) Copies of all redevelopment proposals and redevelopment contracts, as well as of any changes, which may be made therein.
At least once each year a report of its activities for the preceding year, and such other reports as said department may require. Copies of such reports shall be filed with the mayor and governing body of the city or with the county board of commissioners, as the case may be.

(19 amended June 26, 1968, P.L.263, No.125)

Section 19.1. Notice to Displaced Persons.--
(a) A redevelopment authority in a city of the first class intending to alter or demolish property in furtherance of authority projects or programs shall give timely notice to all occupants required by such alteration or demolition to vacate the property.
(b) Notice shall be given at the earliest practicable time prior to the dislocation of persons affected, but no later than 30 days prior to the commencement of the alteration or demolition of the property.
(c) The form of notice shall include, but not be limited to, posters or other graphic materials of sufficient size and design as will reasonably draw attention and which will reasonably inform the occupants of the property of the impending alteration or demolition and the date by which the occupants must vacate the property. Posters or other graphic materials shall be posted on and about the property in sufficient numbers as to reasonably draw the attention of all occupants of the property.
(d) This section shall not be construed to relieve any authority of any duty to occupants of property as provided by law or regulation, including, but not limited to, the relocation assistance provisions of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the "Eminent Domain Code," and regulations promulgated thereunder.

(19.1 added Apr. 18, 1978, P.L.39, No.21)

Section 19.2. Statute of Limitations.--Notwithstanding the provisions of 42 Pa.C.S. § 5526(4) (relating to five year limitation) or any other provision of law to the contrary, a proceeding to challenge just compensation or other damages if a redevelopment authority has exercised powers of condemnation pursuant to this act and made payment in accordance with section 407(a) or (b) of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the "Eminent Domain Code," is subject to a one-year statute of limitations.


Section 20. Effective Date.--This act shall become effective immediately upon final enactment.