



Housing Alliance
of Pennsylvania

August 7, 2023

Legislation Introduced to Enhance Optional County Affordable Housing Funds

The Optional Affordable Housing Funds Act, known as Act 137, provides Pennsylvania counties the option to raise revenue for affordable housing needs by increasing fees charged for the recording of deeds and mortgages. These funds contribute to a wide range of affordable housing projects in the 54 counties that have them in place.

State Senator Amanda Cappeletti has introduced SB 543 to enact enhancements to Act 137 that were recommended in a report prepared by the Reinvestment Fund and Real Estate Strategies, Inc., *Pennsylvania's Housing Trust Funds: Current Conditions and Opportunities for the Future* (January 2020). The legislation will offer three important changes to Act 137 including increasing the maximum amount of fees that can be collected, impose reporting requirements, and establish a Local Housing Trust Fund Community of Practice.

The maximum amount of fees that counties can charge has not increased since 1993. For all counties except Philadelphia, the maximum fee a county can charge is limited to 100% of the base deed and mortgage recording fee that was in place as of 1993. Philadelphia has a higher cap as the result of Act 49 of 2005, which allowed cities of the first class to establish a fund and set the cap at 100% of fees in place at any given time. SB 543 allows counties to increase fees up to 100% of current recording fees for deeds and mortgages.

In addition, current law has no reporting requirements for Act 137 funds, either from recipients of the funds or from a county itself. The flexibility counties have in how they use the funds is important, and this bill will not reduce flexibility that allows counties to tailor funding to their specific needs. Regular tracking and reporting to the state will help to ensure programs are operated effectively.

Finally, SB 543 will establish a Local Housing Trust Fund Community of Practice, to offer regular opportunities for information exchange among Act 137 contacts around the state.

This information is only current as of August 7, 2023 and is subject to change at a moment's notice.