



LEGISLATIVE UPDATES ACROSS PENNSYLVANIA

WASHINGTON D.C. RECAP

The GOP has a trifecta control.

The United States Senate – Republicans flipped four seats including Montana, Ohio, Pennsylvania, and West Virginia (53-47).

Republicans retained control of the United States House of Representatives (220-214).

Two seats were flipped in Pennsylvania: Sixth-term Representative Matt Cartwright and three-term Representative Susan Wild lost their seats to Ryan Makenzie and Rob Bresnahan.

119TH CONGRESS KEY COMMITTEE LEADERSHIP

House Financial Services Committee

Chair Congressman French Hill (R-AR)

Ranking Member Congresswoman Maxine Waters (D-CA)

Senate Banking Committee

Chair Senator Tim Scott (R-SC)

Ranking Member Senator Elizabeth Warren (D-MA)

Ways & Means Committee and Senate Finance Committee (TAX)

Chair Congressman Jason Smith (R-MO) and Ranking Member
Congressman Ritchie Neal (D-MA)

Chair Senator Tom Crapo (R-ID) and Ranking Member Senator Elizabeth
Warren (D-MA)

Appropriations Committee

Chair Congressman Tom Cole (R-OK) and Ranking Member
Congresswoman Rosa DeLauro (D-CT)

Chair Senator Susan Collins and Ranking Member Senator Patty Murry
(D-WA)

Energy & Commerce

Chair Congressman Bret Guthrie (R-KY) and Ranking Member
Congressman Frank Pallone (D-NJ)

Commerce

Chair Senator Ted Cruz (R-TX) and Senator Maria Cantwell (D-WA)

FTC “JUNK FEES” FINAL RULE

- The Federal Trade Commission (“FTC”) recently issued a final rule regarding junk fees, banning these fees in two key industries, short-term lodging and live events. The Rule addresses whether “drip pricing” in those industries is permissible, which has been an area of uncertainty. With this new Rule, the FTC has conclusively banned this practice.
- **Rental housing is notably excluded.**
- The Rule further requires any business that sells live-event tickets or short-term lodging (e.g., hotels, vacation homes, and other short-term rentals) to disclose clearly and conspicuously all mandatory fees associated with any good or service offered.
- The Rule specifically prohibits four pricing practices:
 - (1) Failing to disclose “clearly and conspicuously” the “true total price inclusive of all mandatory fees” charged whenever a business “offer[s], display[s], or advertise[s] any price;”
 - (2) Failing to display the total price “more prominently” than “most other pricing information;”
 - (3) Misstating the cost or fees for any live-event tickets or short-term lodging; and
 - (4) Misstating the identity of any good or service offered.

THE FEDERAL FUNDING FREEZE

UPDATE: U.S. District Judge Loren L. AliKhan temporarily halted the Trump administration's freeze on federal grants and loans. She issued the ruling on Tuesday, January 28th, just moments before the freeze was set to take effect. The temporary stay will remain in place until Monday.

Background:

On the evening of Monday, January 27th, Matthew J. Vaeth, the Acting Director of the United States Office of Management and Budget, released memorandum M-25-13. The memo directed federal agencies to **"temporarily pause all activities related to the obligation or disbursement of federal financial assistance, as well as other related agency activities potentially affected by the executive orders..."**. The directive impacts programs like small business loans, farmers' aid, Pell grants, and housing assistance. While certain programs like Medicare and Social Security are exempt, federal housing subsidy payments, including HUD Housing Assistance Payments (HAP) for Section 8, are not.

This raises concerns for housing providers as federal agencies must perform a program analysis and submit it by February 7, 2025, potentially delaying crucial funding.

Prior to Judge AliKhan ruling, the Office of Management and Budget has stated that "funds for small businesses, farmers, Pell grants, Head Start, rental assistance, and other similar programs will not be paused."

NAA continues to monitor developments and any potential effects on federal multifamily housing programs.

PENNSYLVANIA'S PUBLIC UTILITY COMMISSION VOTES (3-2) TO REGULATE LANDLORDS AS GAS PIPELINE OPERATORS

- On January 8, 2025, the Pennsylvania Public Utility Commission (“PA PUC”), led by Chairman Stephen DeFrank, reversed nearly a decade of PA PUC enforcement practice, and asserted jurisdiction over Pennsylvania landlords as gas pipeline operators if they have behind-the-meter gas distribution systems on their properties.
- The PA PUC further claimed jurisdiction over underground and aboveground piping along with internal piping in buildings. The rule will require, with limited exceptions, landlords throughout the commonwealth, regardless of size, to comply with federal gas pipeline safety laws. This includes the regulations of the federal Pipeline Safety and Hazardous Materials Administration (PSHMA), in the same manner as natural gas distribution companies and gas pipeline operators. This will in turn impose onerous registration, operation, maintenance, and reporting requirements upon landlords that will result in higher rent for tenants.
- This decision holds broad reaching implication for educational institutions, health care facilities, shopping centers, and other operators of behind-the-meter gas distribution facilities. They will all, theoretically, be considered gas pipeline operators and subject to regulation, and enforcement action by the PA PUC. The dissenting commissioners expressed concerns that the PA PUC’s assertion of expansive jurisdiction fails to consider overlapping jurisdiction of other government entities. They also expressed particular concern about the expansion of PA PUC’s jurisdiction over the internal gas distribution system of a single structure.
- Ultimately, the PA PUC’s decision may also spark a legislative debate concerning how to ensure that gas pipelines at apartment complexes are safe while, at the same time, not imposing onerous and costly regulatory requirements upon landlords who never had an intent to be gas pipeline operators.

Executive Order 2024-03

- On September 12, 2024, Governor Shapiro signed an executive order creating Pennsylvania's First Housing Action Plan to address the state's housing shortage, address homelessness, and expand affordable housing options.
- The Executive Order tasks the Department of Community & Economic Development (DCED) with leading the plan's development, working alongside various stakeholders to identify housing needs and devise a strategic response. The Housing Action Plan will guide efforts to expand affordable housing and provide support to the unhoused. It will also ensure a coordinated, multi-agency approach involving state, local, and federal partners, as well as private organizations.
- Under the Governor's Executive Order, the Housing Action Plan will be a data-driven statewide plan with recommendations for increasing housing supply and supporting the preservation of existing housing, including:
 - Assess and determine Commonwealth-wide, and regional, and local housing needs;
 - Identify, review, and assess the effectiveness of housing programs and resources offered by Commonwealth agencies;
 - Provide recommendations for (a) state housing programs, investments, and policymaking initiatives, and (b) leveraging best practices from the public and private sector to improve housing outcomes across the Commonwealth; and
 - Recommend strategic planning initiatives that may be implemented over the next five years.
- Additionally, the Executive Order directs the Department of Human Services (DHS) to develop recommendations on policies and best practices for addressing homelessness and supporting individuals in need by collaborating with stakeholders, including the Governor's Policy and Budget Offices, state agencies, local and federal governments, and community organizations.

HARRISBURG

Session Dates:

- **House:** 1/27-29; 2/3-5; 3/17-19, 24-26; 4/7-9, 22-24; 5/5-7, 12-14; 6/2-4, 9-11, 16-18, 23-27, & 30.
- **Senate:** 1/27-29; 2/3-5; 3/24-26, 31; 4/1-2; 5/5-7, 12-13; 6/2-4, 9-11, & 23-30.

KEY COMMITTEE LEADERSHIP

Senate Urban Affairs & Housing Committee

Majority Chair: State Sen. Joe Picozzi

Minority Chair: State Sen. Nikil Saval

House Housing and Community Development Committee

Majority Chair: State Rep. Brandon Markosek

Minority Chair: State Rep. Rich Irvin

Senate Judiciary Committee

Majority Chair: State Sen. Lisa Baker

Minority Chair: State Sen. Amanda Cappelletti

House Judiciary Committee

Majority Chair: State Rep. Tim Briggs

Minority Chair: State Rep. Rob Kauffman

House Consumer Protection, Technology and Utilities Committee

Majority Chair: State Rep. Danilo Burgos

Minority Chair: State Rep. Carl Walker Metzgar

Senate Appropriations Committee

Majority Chair: State Sen. Scott Martin

Minority Chair: State Sen. Vincent Hughes

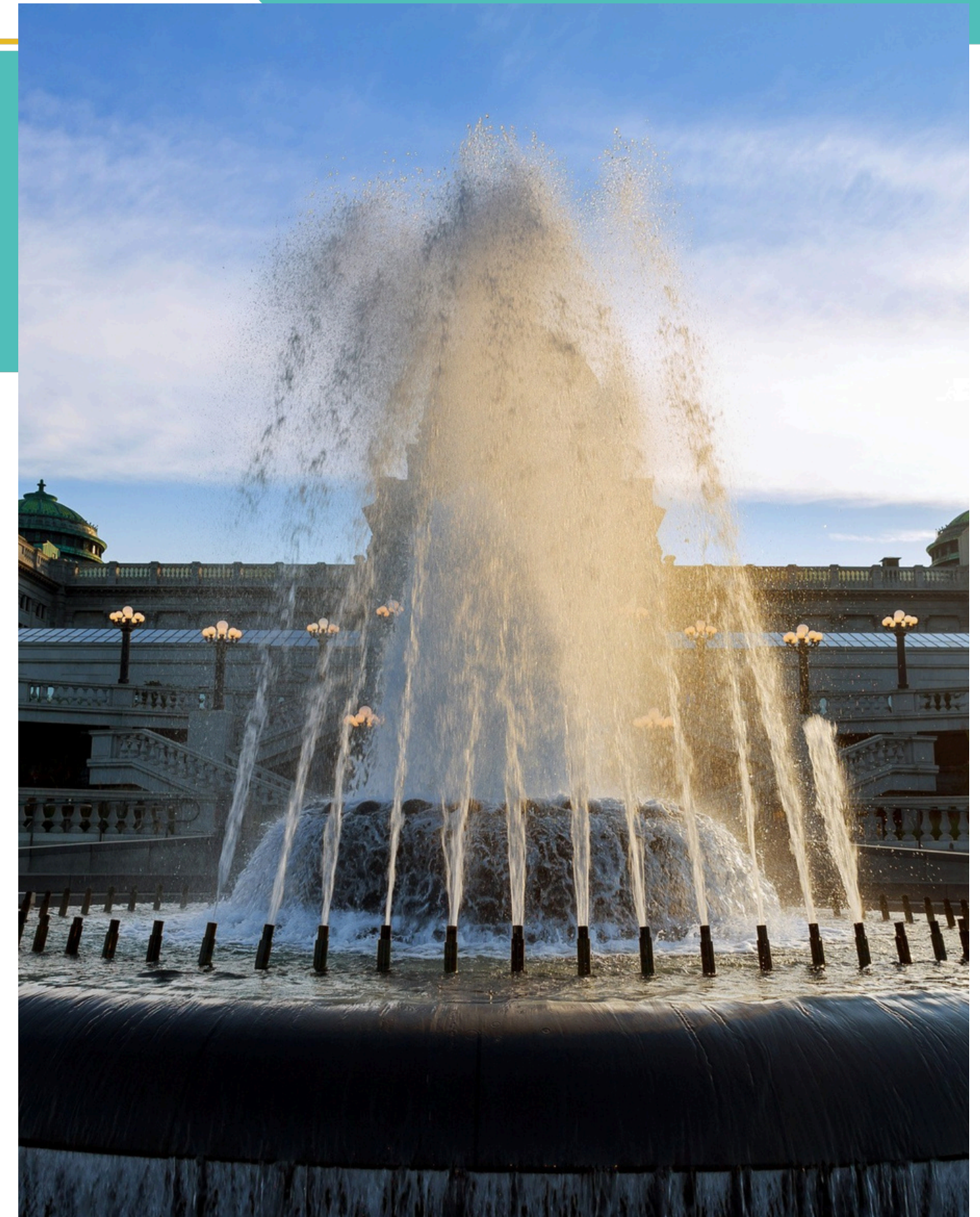
House Appropriations Committee

Majority Chair: State Rep. Jordan Harris

Minority Chair: State Rep. Jim Struzzi

HARRISBURG (CONTINUED...)

- 01 **HB 1769 - Eviction Record Sealing introduced by Representative Ismail Smith-Wade-El.**
- 02 **Status: Amended & Passed the House with no path in the Senate.**
- 03 **Summary:** The original legislation would create an eviction record sealing policy to prevent eviction records from haunting tenants for years and protect them against discrimination and long-term housing insecurity. On Wednesday, September 25th, the House Judiciary Committee amended and voted out HB 1769. The amendment reflects a deal with the Realtors' Association that stipulates the bill would only apply to eviction cases filed 7 or more years ago.



HARRISBURG (CONTINUED...)

- 01 **HB 72** introduced by Representative Borowski.
- 02 **Status:** Referred to the Judiciary Committee
- 03 **Summary:** Amending The Landlord and Tenant Act of 1951, providing for tenants' rights in cases of violence.
- 04 **Previous Action RE: HB 1441:** Worked on technical amendments with the Pennsylvania Residential Owners Association.

Senator Pennycuick expressed interest in developing her own version of this bill.

HARRISBURG (CONTINUED...)

01 HB 2392 introduced by Representatives Dan Miller and Solomon

02 Status: Introduced.

03 **Summary:** The legislation would amend the Assistance and Service Animal Integrity Act in several keyways to make sure service animals and those who need them are welcomed, understood, and supported throughout Pennsylvania. Amongst other things, the bill would:

Creates and administers the distribution of a Trained Service Animal Patch;

Defines a service animal to better reflect their importance; and

Codifies state law regarding public accommodation and common carrier access.

04 **Action:** Working with the Pennsylvania Manufactured Housing Association.

HARRISBURG (CONTINUED...)

01 HB 2443 - Right to Counsel introduced by Representative Krajewski. **02** Status: Filed.

03 **Summary:** Representative Krajewski is seeking to create a state-wide right to counsel program. The Governor along with members of the House secured \$2.5 million in new funding in the 2024-25 state budget for the creation of a statewide Right to Counsel program, which will fund legal assistance for low-income tenants.

I expressed our extreme reservations about right to counsel. I shared the following comments with his team:

- Services could be too expansive...need to define additional services.
- Some form of assistance should be available for small landlords. In Philadelphia 56% of rental units are held by small landlords. Once litigation begins, things could easily be delayed. Lawyers tend to ask for a continuance once representation is approved. This could potentially delay legal action for 30-45 days. During this time, landlords bear the significant amount of the cost. Small landlords lack the ability and resources to sustain those costs, which in turn creates an undue burden.
- Potentially allowing small landlords to also receive counsel supported by government resources.
- Identifying a permanent funding structure to sustain the right to counsel legislation.
- Potentially include language in the legislation that indicates it will be terminated if no funding is allocated to the program.

HARRISBURG (CONTINUED...)

- 01 **HB 343 introduced by Representative Roni Green**
- 02 **Status:** Introduced
- 03 **Summary:** Seeks to strengthen existing laws to hold landlords accountable and better protect tenants. The would ensure that landlords meet their obligation to maintain a habitable residential rental property when they take out equity. Additionally, the bill would empower municipalities to determine if a landlord abandoned their residential rental property and penalize them accordingly. Finally, the bill would clarify that whenever an apartment goes into receivership, the receiver must ensure that the apartment remains habitable.
- 04 **Action:** Overreaching. If there are maintenance/code issues, tenants can go to the municipality. They have no business knowing the owners' lending relationships or deals.

HARRISBURG (CONTINUED...)

01 HB 344 - introduced by Representative Roni Green

02 Status: Introduced

03 **Summary:** A bill that would require landlords to be explicit in the lease agreement about whether parking is provided and, if so, whether the tenant must pay a fee and the amount of said fee. If a landlord fails to do so, they would be required to cover the costs of parking that the tenant may incur.



HARRISBURG

WHAT'S NEXT?

Repealing the Thurmond Amendment

Representative Siegel

- Summary: Is an amendment to the FHA of 1988 that gave housing providers the authority to permanently deny housing to individuals with prior drug distribution convictions, regardless of the severity of their offenses or the length of time that has passed since their conviction.

HB 96 introduced by state Representative Bullock

- Summary: The legislation would prohibit landlords from inquiring or requiring disclosure about certain arrest records of potential tenants as a condition of a lease.
- Status: No movement.

HB 366 introduced by Representative Isaacson

- Summary: The legislation would cap rental application fees to \$20 and restrict the rental application fee to use of conducting background checks. Background checks pursuant to the legislation shall include applicant's criminal history and credit score. Please note that there is a companion bill in the Senate (SB 860 introduced by Senator Laughlin) that would cap the rental application fee at \$25.

PHILADELPHIA SPRING SESSION

The Philadelphia City Council returned on Thursday, January 17th after its winter recess.

Several policy issues, such as housing and taxation will be debated during this legislative session. However, the new proposed Sixers arena in South Philly will be at the forefront.

Mayor's budget address is scheduled for Thursday, March 6th.

PHILADELPHIA SPRING SESSION (RECAP)

01 Algorithmic Rental Pricing Fixing

02 Bill 240823 introduced by Councilmember O'Rourke

Councilmember O'Rourke introduced legislation that would prohibit all agreements to engage in anti-competitive price coordination with respect to rental housing, including the sale and use of any software that would facilitate price coordination using algorithms. Through our advocacy efforts, we were able to introduce an amendment that would soften the language of the bill making it less consequential. The amendment:

- **Removes language that prohibits or restrict the use of technology on the collection, and analysis of public data.** This is like the San Francisco legislation in that it prohibits the use of non-public competitor information and not public data. Non-public competitor information in a nutshell, is information that is provided by the customer to the service provider that inculcates information about the customer's housing units, actual rent prices, occupancy rates, etc. that will now be prohibited for dissemination to other customers with regards to suggesting rental rates.
- **Clarifies the definition of price coordination to not include:**
 - Providing information for the purpose of establishing rent or income limits in accordance with the affordable housing program guidelines of a governmental entity.
 - Generation or use of any report, study, or presentation that provides existing rental data in an aggregated manner but does not recommend rent prices, fees, or occupancy rates or other rental contract terms for future leases.
 - Providing information for the purpose of conducting market research for project financing or for the purpose of conducting an appraisal.
- **Provides a resident a private right of action to file a lawsuit against the housing provider or charges the Philadelphia Law Department to file a civil lawsuit on behalf of City against the housing provider who violates the law.**
- **Delayed implementation of 90 days after the adoption of the law.**

PHILADELPHIA SPRING SESSION (RECAP)

01 Bill 241064 - EV Charging & Parking introduced by Councilmember Ahmad

02 Status: Introduced on 11/14/24.

03 **Summary:** The legislation would amend the Philadelphia code to increase requirements for EV chargers by expanding the City's EV charging infrastructure, increasing accessibility, and accelerating the transition to EV. In addition, her proposed legislation applies to any new development with parking lots that support 10 or more vehicles. The Building Industry Association that details the cost burden this will have on the development community and the difference with regards to the provisions of the current code.

Questions:

- Definition of development? I understand the bill applies to new development (both residential and commercial) with parking lots that support 10 or more vehicles; however, what specifically constitutes development? Does that definition include any construction, modification, extension, expansion, or substantial improvement to existing structures? The definition appears to be too broad, and we need clarity from Planning and OTIS.
- In areas designated historic preservation districts, would that also trigger the provisions of this law?
- Currently, HUD provides low-cost financing for EV related projects to housing providers. That funding is covered by the Biden Infrastructure Plan. With a new incoming administration, who knows what will happen with the remaining infrastructure dollars.
- In inclusionary zoning districts or TOD designated areas, will the provisions of this ordinance apply? The goal is to encourage more affordable housing and development along transit corridors, not to deter economic development.

PHILADELPHIA (CONTINUED...)

- 01 **Bill 241062- Philadelphia Chinatown Overlay District introduced by Councilmember Squilla**
- 02 **Status: Introduced on 11/14/24, Hearing Date: 12/04/24**
- 03 **Summary:** The legislation would require any housing project of 10 units or more would have to make 10% of the apartments available to people making 60% of area median income (about \$47,000 a year). The zoning bill would also ban smoking lounges, “adult-oriented services,” and assembly and entertainment uses, which means nightclubs. Under the proposed rules, new retail businesses could not exceed 3,000 square feet. The bill also would set a neighborhood building height limit of 65 feet, and no height or density zoning bonuses would be allowed unless a developer provided affordable housing in exchange.



PHILADELPHIA

WHAT'S NEXT?

Housing (\$100 million operating over the FYP)

Continuing investment in housing through programs like Turn the Key; Restore Repair Renew; and Basic Systems Repair Program (BSRP).

Mayor’s goal of 30,000 units of housing built, repaired, or preserved.

Housing Production: Ensuring City-supported new housing is “affordable luxury” with high-quality fixtures and finishes.

Comprehensive review of Land Bank aimed at more quickly returning parcels to productive use.

\$14 million for rebuilding of University City Townhomes.

Housing Preservation: Making it easier for residents and landlords to access City-funded home improvement programs through a Single Home Improvement Application (SHIA).

\$750,000 for tangled title support at the Register of Wills.

Rental Assistance: \$19 million to support rental assistance programs.

Access to Homeownership: Institutionalizing Philadelphia Home Appraisal Bias Task Force within City government to help implement its findings.

Supporting Philadelphia Human Relations Commission (PCHR) to focus educational and enforcement efforts on eliminating home appraisal discrimination.

Rental Credit Reporting

PITTSBURGH

Pittsburgh City Councilman Bobby Wilson (D1) passed legislation in May with unanimous City Council support that creates a new Local Economic Revitalization Tax Assistance (LERTA) program for Downtown to encourage adaptive reuse and conversion of existing vacant office buildings.

In June, County Executive Innamorato launched 500 in 500, an initiative to help people out of homelessness by making 500 affordable housing units available in Allegheny County in the next 500 days.

Councilman Bob Charland introduced quality of life legislation pertaining to city code violations around trash that is likely to pass. More here:

<https://www.wpxi.com/news/local/councilman-proposes-quality-life-ticketing-legislation-clean-up-pittsburgh/DBVAY3SBOND6BPKEKD7FFRTILU/>

More broadly, City Council heads on recess for the month of August before returning for its fall agenda headlined by budget deliberations through EOY.

Downtown Revitalization Plan