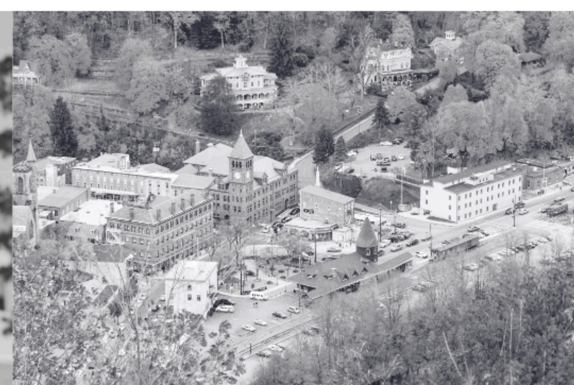
LOCALPROGRESS IMPACT LAB

Regional Housing Legal Services

BOLD HOUSING SOLUTIONS

A TOOLKIT FOR PENNSYLVANIA MUNICIPALITIES

JULY 2026



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Local Progress Impact Lab brings together local leaders, partners and experts to build the knowledge, skills and leadership needed to advance racial and economic justice at the local level.

Regional Housing Legal Services is a nonprofit law firm that works alongside communities in the fight to create and protect safe, affordable homes. RHLS provides legal help and technical assistance to community groups serving people with low incomes in Pennsylvania and Delaware and provides legal research, policy analysis and advocacy focused on critical housing, economic development and community development issues.

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INTRODUCTION

A MESSAGE FROM THE LOCAL PROGRESS PENNSYLVANIA ORGANIZING COMMITTEE CO-CHAIRS

Jon Irons, Lehigh County Commissioner
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As the Local Progress Pennsylvania (LPPA) Organizing Committee developed our statement of values for the state chapter, housing quickly rose to the top as one of the most unifying and important issues for members to tackle. In our statement of values we wrote: "We believe that housing is a human right, not a privilege or a commodity. Every person deserves a safe, stable, and affordable place to live at every stage of life. We are building a Pennsylvania where everyone can afford rent, buy a home, and age in place with dignity and security." As we refined our statement on housing, we engaged members throughout the state and received input from dozens which affirmed our shared vision for universal housing, as well as many questions and challenges facing members in their work toward that vision. With so many members across the state actively engaged in developing housing policy, the LPPA Organizing Committee made it a priority to support members and work towards achievable solutions.

Housing affordability and access to secure and stable housing are huge needs for Pennsylvanians, but they are also very challenging issues to address at a local level. Pennsylvania's restrictions on municipal power[1] and tax uniformity requirements[2] are some of the more regressive in the country, and prevent most local governments from directly regulating local housing markets and building revenue to support housing programs and construction. These state restrictions are grounded in Pennsylvania's racist and segregationist past and serve as tools to disenfranchise communities of color and other marginalized groups that suffer under contemporary social and economic inequality. LPPA understands that the struggle for housing justice is the struggle for racial justice and our work toward universal housing may be a roadmap to counter other oppressive systems in state and local government.

While other existing national resources offer a great deal of inspiration to members in Pennsylvania, without state-specific guidance local elected officials may be left wondering whether and how such policies can be implemented in their jurisdiction. It is not only an economic and legal challenge. Redlining, de facto segregation and disinvestment are ways in which structural racism impacts BIPOC communities daily.

Despite challenging circumstances, Pennsylvanian local elected officials are committed to and successful in developing creative solutions to work toward universal, affordable housing and dismantle the hostile and oppressive policies of the past. This toolkit, developed in collaboration with Local Progress' housing experts and our LPPA Organizing Committee, is intended to ground

[1] Dillon's rule
[2] How Pennsylvania's Uniformity Clause Affects Property and Wage Taxes in Philadelphia

strategies like rent stabilization, inclusionary zoning, and tenant protections in approaches that are achievable for Pennsylvania localities. The LPPA Organizing Committee urges members to consult this toolkit and to propose and enact solutions that work toward housing as a human right in the Commonwealth. **The path forward may be difficult and require an array of organizing, messaging, and legislative efforts, but we know that our members are exactly the dedicated and effective leaders to get it done.**

HOW TO TALK ABOUT HOUSING JUSTICE

The policies presented in this report are a selection of strategic, impactful, progressive local policies that address the root causes of the housing crisis. They offer long term solutions in addition to short term responses that provide immediate relief to individuals experiencing the impacts of our current housing crisis. We understand that Local Progress members are often communicating policy ideas to an audience that is less politically aligned with the values and beliefs shared in this report. Below are a few tactics and tools to use when crafting effective messaging of these policies. The Local Progress Communications team is available to all LP members for 1:1 support on messaging tactics – reach out to helpdesk@localprogress.org.

Our messaging formula is as follows:

1. Leads with **values**
2. Introduces the **problem** (or calls out the **villain**)
3. Offers a **vision**

Values

Effective messaging around housing policy is grounded in a clear understanding that the current housing market is not working. The system has historically excluded and continues in the present day to exclude Black and brown families from stable housing and favors landlords' ability to maximize profit over providing shelter – this is backed by decades of housing policy that entrenched this power imbalance into law. When we work to reimagine what is possible at the local level, it starts with uprooting "business as usual" in the housing world. Many of the policies highlighted in this report aim to do this.

A few of our core value messages in housing:

1. **Housing is a basic need**. Like food or water, housing is a basic need that people need to live.
    a. Housing is an essential need that provides the foundation for people to build their lives, find work, raise the next generation, and age in place.
    b. Housing is the center of family and community life. The ability to "put down roots" is essential to the fabric of a strong, healthy community where neighbors can nourish the collective capacity to help one another, improve their neighborhood and be civically engaged.
2. **Every single person deserves a safe, dignified home that they can afford**.
3. **Housing should exist for people, not for corporate profit.**

The Problem

Because of the nature of today's housing crisis, many of the problems are felt most acutely by the same individuals that legislation is aiming to protect. It is not a tall task to articulate an issue that everyone is experiencing, but what is key is pinpointing a villain. Whether it be naming the system as a whole that led to the issues of today, or identifying a particular actor whose actions / financial contributions / lobbying have made life more difficult for residents. Don't be shy about attaching rightful blame to the circumstances and actions that led to the issues of today.

A few of our core messages in naming the enemy:

1. **Rising rents aren't the product of some invisible economic forces, they're the direct results of greedy landlords and corporate actors.**
2. **Governments have a duty to provide basic needs for the people. When local governments fail to pass rental protections or build affordable housing, they're siding with rich landlords over renters.**
3. **Housing should not be an "investment" for the rich. Rent hikes that pad the wealthy's bottom line kick our neighbors to the curb and hollow out our communities.**

A Vision

No policy pitch is complete without a throughline of how the legislation will lead to a better outcome. To start, it's critical to ground your policy in how it will impact the daily lives of constituents. With so many concurrent crises affecting our communities, it's imperative every policy vision begins with an understanding how it will impact their daily lives in a real material way. From there, we can invite people to see the bigger picture of a more just society as we address their immediate needs.

As an example, consider a policy that caps rent increases every year. In the immediate term, this will mean more money in the pockets of residents - freeing up their budget for daily necessities. But in the longer term, rent caps do more than just put more money in people's pockets, it provides a real sense of security and stability for people. With extra income and without the anxiety of wondering what the next rent increase will be, individuals can shop at their local stores and propel the small business economy, children can play in neighborhood parks and attend local schools, families are interconnected into their built environments and neighborhoods can thrive. Once you ground the policy in addressing people's concrete material needs, you can weave a single policy win into the larger fabric of what it takes to create healthy cities. It is always helpful to pitch a vision that not only centers the exact people or population that the policy targets (ie, strategies to support homeless individuals means people don't have to sleep outside in the pouring rain) but also the wider vision that the work is moving towards (when we house our neighbors, we lay the groundwork for entire cities and towns where residents are secure).

Local housing policy exists to build a just, prosperous, and equitable future for all our constituents. This toolkit focuses on strategies that can be implemented relating to housing, but it is important to also consider that many of these deep-seated issues require solutions that target adjacent issues - increasing wages and addressing systemic racial inequity to name a few. We encourage readers to link back to other larger issues as necessary when engaging in discussions around housing solutions, as we need to use all tools available to tackle the multi-faceted challenges that encompass the housing affordability crisis.

OVERVIEW AND ANALYSIS OF HOUSING IN PENNSYLVANIA

TENANTS RIGHTS

Landlords and tenants in Pennsylvania have a vastly unequal power relationship. As a result, tenants will often tolerate unsafe housing conditions or other illegal landlord behavior out of fear of losing their home.

Here is how Pennsylvania stacks up with respect to the most critical issues faced by tenants: housing stability, housing affordability and safe and healthy housing.

Housing Stability

Many tenants in Pennsylvania can lose their homes in any given month **even if** they are in compliance with their legal obligations. During the term of the lease, any tenant can be evicted if they fail to meet the payment schedule or breach the conditions of the lease (such as, damage to property, disturbing neighbors, etc). Once the term ends a tenant can be evicted for any reason or no reason at all. Many lease terms in Pennsylvania are month to month.

Tenants in federally subsidized housing and residents (homeowners) in manufactured home communities can only be evicted or have their leases non-renewed for good cause, such as nonpayment of rent or a breach of the lease. For all other tenants, the ability to remain housed depends largely on their ability to remain in the good graces of their landlord.

Tenants in Pennsylvania can legally be evicted only through court action. Self-help evictions[3] (e.g., changing the locks, discontinuing landlord-supplied utility service) are illegal, but common. Researchers estimate that there are two to five informal evictions (involuntary moves due to threats, harassment or illegal lockouts) for every formal (court ordered) eviction.[4] The judicial procedure for evicting a tenant generally takes about a month from the filing of a complaint with a magisterial district judge to forcible ejectment by the constable. Tenants have the right to file an appeal and receive a new hearing before the Court of Common Pleas, but the eviction will go forward unless they post a bond and pay rent to the court as it comes due.

Tenants facing eviction in Pennsylvania do not have a right to free legal counsel, but if they meet income guidelines they may qualify for free legal representation by one of the providers in the Pennsylvania Legal Aid Network. A list of legal aid providers can be found here.

[3] Also referred to as unlawful or illegal evictions.
[4] County-level eviction filing rates can be found here.

Housing Affordability

$22.98

hourly wage to afford a modest one-bedroom rental in PA

Hours a minimum wage earner would have to work to afford a modest one-bedroom rental:

127

52%

increase in median rents in PA between 2020 and 2025

Nonpayment of rent is the leading cause of eviction filings and homelessness. At the time of this writing, a full-time wage earner must earn at least $22.98 per hour to afford a modest 1-bedroom rental in Pennsylvania. Few service-industry jobs pay that much. A minimum wage earner would have to work 127 hours per week to afford a modest 1-bedroom rental. This problem gets worse every year - median rents in Pennsylvania increased by 52% between 2020 and 2025, while minimum wage has remained stagnant - and housing unaffordability is expected to become even more acute as institutional investors become increasingly active in Pennsylvania's rental housing market.

Right now, only tenants in subsidized housing have any protection against unaffordable rent increases in Pennsylvania. Several state and federal sources of funding for affordable housing and community development exist, but they meet only a fraction of the need.

Safe and Healthy Housing

Pennsylvania has some of the oldest housing stock in the nation, with roughly 25% of its occupied rental units built prior to 1940.[5] This presents potential health and safety problems for occupants and a heightened risk of vacancy and blight for local government.

Every residential lease (whether verbal or written) in Pennsylvania contains an implied promise that the landlord will maintain the home in a livable condition.[6] If a defect exists that impacts the health or safety of the home, and the landlord fails to correct it within a reasonable time, the tenant has the right under Pennsylvania law to (1) withhold rent until the defect is fixed, (2) make necessary repairs and deduct the cost from the rent or (3) terminate the lease and move. A tenant may also file a complaint with a local code enforcement office or health department if one exists.

As mentioned above, though, many tenants[7] occupy their homes through a month-to-month lease and are therefore subject to no-cause eviction at any time. So while tenants in Pennsylvania do

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[5] PA Comprehensive Housing Study (page 20)
[6] Pugh v. Holmes, 486 Pa. 272, 405 A.2d 897 (1979)
[7] Housing Leases in the U.S. Rental Market: Spotlight on Statistics (slide 4)

have a legal right to safe and healthy housing, there is a strong disincentive against asserting that right. Although some courts in the commonwealth recognize landlord retaliation as a defense to eviction,[8] there is no express statewide prohibition against evicting a tenant in retaliation for exercising the legal right to safe and healthy housing.

Unfortunately, resources for home repair are scarce in Pennsylvania. Many counties operated a home repair program for homeowners and small landlords under a state pilot program called Whole Homes Repair, funded through the American Rescue Plan Act. Demand far exceeded revenue, and the programs were largely discontinued after the funding ran out, except in Philadelphia. It was a popular program, though, and there have been legislative proposals to revive it. Program administrators for each county program are listed here.

For more information on tenants' legal rights in Pennsylvania, see:

- PALawHelp.org Housing and Shelter
- Housing Equality Center of Pennsylvania Know Your Rights as a Renter in Pennsylvania
- Pennsylvania Bureau of Consumer Protection, Consumer Guide to Tenant and Landlord Rights

AFFORDABLE HOUSING RESOURCES: FEDERAL AND STATE

Rental Subsidy Programs

Most funding for subsidized rental housing comes from the U.S. Department of Housing and Urban Development (HUD). The major types of subsidized rental housing are:

Public Housing

- Publicly owned (but can be privately owned, e.g. HOPE 6)
- Project-based (subsidy is attached to unit)
- Deep subsidy (tenant rent + utilities are 30% of tenant's household income)
- HUD provides capital funds and operating funds

Project-Based Rental Assistance/Project Rental Assistance Contracts (HUD Multifamily)

- Privately owned, project-based
- Deep subsidy (tenant rent + utility allowance is 30% of tenant's household income)
- HUD provides rent subsidy on 5- to 20-year contract terms

[8] See Gerlitzki v. Troop, 64 Lancaster L.R. (Lancaster C.P. 1974); but see also Heller v. Reigle, Adams L.J. vol. 54 no. 49, pp. 367-70 (Adams C.P. 2013).

Housing Choice Voucher (HCV)

- Tenant-based (subsidy travels with tenant, who locates housing in private market)
- Deep subsidy (tenant rent + utility allowance is 30%-40% of tenant's household income)
- Rent cannot exceed voucher payment standard (set by housing authority and HUD)

Project-Based Voucher (PBV)

- Privately owned, project-based
- Deep subsidy (tenant rent + utility allowance is 30% of tenant's household income)
- Housing authority provides rent subsidy

Low Income Housing Tax Credit (LIHTC)

- Privately owned, project-based
- Shallow subsidy (rent + utility allowance can't exceed max rents published annually)
- 30-40 year affordability period

Tenants in these programs can only be evicted for "good cause." Each program defines that term slightly differently, but in general it means nonpayment of rent, serious or repeated violations of the lease, and certain other factors like refusing a reasonable modification of the lease. Except for the HCV program, lease expiration is not good cause for eviction.

HUD subsidized housing is required to satisfy HUD's housing quality standards. The Real Estate Assessment Center (REAC) inspects public housing and HUD multifamily properties, and the local housing authority inspects HCV and PBV properties, usually once per year.

Eligibility for affordable housing programs and LIHTC affordability limits are set at a percentage of the area median income (AMI) for the area where the housing is located. AMI levels are published annually by HUD.

To find project-based subsidized housing in your area (including the owner, type of subsidy and subsidy expiration date) check out:

- NLIHC Preservation Database (search by city, name)
- Pennsylvania Housing Finance Agency (PHFA) housing inventory (search by county at the bottom of the page).

Housing and Community Development Programs

Most public funding for affordable housing and community development in Pennsylvania comes from the federal government. This generally takes one of three forms: appropriations to state and local governments based on a funding formula ("formula grants"), grant funding that is awarded on a competitive basis pursuant to published selection criteria ("competitive grants"), and line-item appropriations that elected representatives are sometimes able to include in federal spending bills.

The main formula grant programs are the Community Development Block Grant (CDBG, for housing and community development activities that primarily benefit low- and moderate- income people), the HOME Investment Partnerships Program (HOME, for affordable housing), the Emergency Solutions Grant (ESG, for homelessness prevention, shelters and rapid rehousing) and Housing Opportunities for People with AIDS (HOPWA, to house people living with HIV/ AIDS). These programs are administered by HUD. 70% of formula grants are allocated directly to cities and counties (called "entitlement jurisdictions" or "participating jurisdictions") and 30% are allocated to states for use in smaller towns and rural counties.

The main federal competitive grant programs for housing are HUD Continuum of Care grants, which are awarded to nonprofits, state and local governments and public authorities to address homelessness. Eligible uses are permanent housing, transitional housing, supportive services, homelessness prevention, and data collection and management.

The largest resource for affordable housing development isn't a funding program, it's the Low-Income Housing Tax Credit (LIHTC) program. LIHTC provides a tax credit to developers that build or rehabilitate affordable housing for low-income households. Developers syndicate the tax credits by selling shares in their development projects to private investors. State housing finance agencies award LIHTC credits and monitor compliance with affordability requirements.

Pennsylvania Agencies that Administer Housing and Community Development Funds

Most of the housing and community development programs in Pennsylvania are administered by two state agencies: the Pennsylvania Housing Finance Agency (PHFA) and the Pennsylvania Department of Community and Economic Development (DCED), although funding is also available through the Office of the Budget. PHFA is a state-affiliated agency that uses a variety of federal, state, and internal sources of funding to promote homeownership and create and preserve affordable rental homes. PHFA administers the LIHTC program and the PA Housing Affordability and Rehabilitation Enhancement (PHARE) Fund, as well as several other programs to promote and stabilize homeownership and to expand rental opportunities.

DCED is a state agency that works with businesses, local governments, and community organizations by leveraging public-private partnerships, promoting workforce development, and providing access to critical resources and programs. DCED administers the non-entitlement CDBG and non-participating jurisdiction HOME funds. State funded housing and community development programs housed at DCED include Keystone Communities, Weatherization Assistance Program, and the Neighborhood Assistance Program.

The Office of the Budget is responsible for supervising the execution of a balanced financial strategy tailored to Pennsylvania, aligning with the governor's policies and priorities. The office aims to facilitate the effective distribution and utilization of resources, ensuring tracking of all funds received and disbursed for Commonwealth programs in compliance with existing laws, regulations, and policies. The Office of the Budget administers the Redevelopment Assistance Capital Program (RCAP).

For more information on affordable housing and community development programs in Pennsylvania see**:** Federal & State Housing Funding Programs.

MUNICIPAL POWERS

There are three questions that must be answered to determine whether a local government has the power to enact and enforce an ordinance:

- Is the action within a municipality's delegated powers?
- Is it preempted by state or federal law?
- Does it violate the U.S. or Pennsylvania Constitution?

I. Delegation of Power

Pennsylvania is a so-called "Dillon's Rule" state, which means that municipalities do not have inherent legislative powers, only such powers that are expressly delegated to them by the state, necessarily and fairly implied, or crucial to the existence of local government. So the first thing to do when considering enacting an ordinance is to check to see if there has been an express delegation of power.

There are three potential sources of state delegation of municipal power:

1. Enabling Acts: There are eight classes of sub-county municipalities in Pennsylvania. Each class operates pursuant to an act of legislature (called an "enabling act") that enumerates the powers and limitations of that class of municipalities. The sub-county enabling act can be found at Pennsylvania Statutes Title 53 and the Third Class City Code. There are also nine classes of counties. Philadelphia is a consolidated city and county and doesn't have a separate county enabling act. The enabling act for Allegheny County can be found in the Second Class County Code and for every other county in the County Code.
2. Subject matter statutes: Many statutes give power to municipalities to regulate specified subjects. One example of this is the Municipal Housing Ordinance Authorization Law,[9] which empowers multiple classes of municipalities to enact and enforce ordinances regulating the occupation, maintenance, use and inspection of buildings and housing.
3. Home rule: Home rule is a broad delegation of self-governance to municipalities that adopt a home rule charter setting forth their powers and organizational structure. The powers that can be claimed by a home rule municipality and the limitations on those powers are specified in one of three home rule authorizing statutes. For the most part, the

[9] Municipal Housing Ordinance Authorization Law, 53 P.S. §§ 4101, et seq.

adoption of a home rule charter removes a municipality from the enabling act applicable to that class of municipality.

Home Rule

A municipality that has adopted a home rule charter may exercise any power that is not denied by the Pennsylvania Constitution, its home rule charter, or the Pennsylvania General Assembly. The state has delegated home rule authority to municipalities under three separate enabling statutes:

First Class City Home Rule Act[10]

This grants broad home rule authority to the City of Philadelphia, subject to certain limitations. The city is forbidden to exercise powers that are "contrary to, or in limitation or enlargement of," powers granted by statutes that are (1) applicable to every part of the state, (2) applicable to all cities of the state, or (3) concerning specified subjects.[11] The most restrictive limitation relates to taxing power: Philadelphia may not establish its own rates and subjects of taxation.

Pennsylvania Home Rule and Optional Plans Law ("Home Rule Law")[12]

The Home Rule Law gives municipalities that adopt a home rule charter broad authority to exercise any and all powers and functions of government that are not denied by the Pennsylvania Constitution, the home rule charter or an act of the General Assembly, subject to certain limitations. Home Rule municipalities are forbidden to exercise powers that are "contrary to, or in limitation or enlargement of," powers granted by statutes that are (1) applicable to every part of the state or (2) concerning specified subjects.

Unlike Philadelphia, Pennsylvania Home Rule municipalities are empowered to set their own rates of taxation, provided they treat residents and nonresidents equally. Subjects of taxation are limited to those granted to the class to which the municipality belonged prior to the adoption of a home rule charter.

The most restrictive limitation on Home Rule power is the so-called "Business Exclusion," which states, in relevant part:

> *A municipality which adopts a home rule charter shall not determine duties, responsibilities or requirements placed upon businesses … except as expressly provided by statutes which are applicable in every part of this Commonwealth or which are applicable to all municipalities or to a class or classes of municipalities.*[13]

The Pennsylvania Supreme Court has adopted a two-step approach to evaluating the validity of an ordinance under the Business Exclusion. The first, threshold question is whether an ordinance

[10] First Class City Home Rule Act, 53 P.S. §§13101 et seq
[11] 53 P.S. §13133
[12] 53 Pa.C.S. § 2901, et seq.
[13] *53 Pa.C.S.A. § 2962(f)*

imposes an affirmative burden on businesses. If it does, the second question is whether the imposition of that burden is expressly authorized by a statutory grant of power to *any* class of municipalities. If there has been an express grant of authority to any class of municipalities, a Home Rule municipality can use that to overcome the Business Exclusion.

The Business Exclusion limits the ability of Home Rule municipalities to develop policy responses to local housing needs. The options discussed in this toolkit are those that the authors are confident will survive legal challenge.

Optional Third Class City Charter Law[14]

This predates the Pennsylvania Home Rule Law. It grants cities that adopt a charter broad municipal powers and is intended to confer the greatest power of local self-government, consistent with the Pennsylvania Constitution and subject only to limitations contained in the Act.[15] The grant of powers is comparable to the delegation of powers to Philadelphia under the First Class City Home Rule Act [16]. The difference is in the limitations that each Act places upon the general grant of power.

Third Class Charter Cities are forbidden to exercise powers that are "contrary to, or in limitation or enlargement of," powers granted by statutes that are (1) applicable to every part of the state, (2) applicable to all cities of the state, or (3) concerning specified subjects.[17] Like Philadelphia, Third Class Charter Cities are prohibited from establishing their own rates and subjects of taxation and are *not* subject to a Business Exclusion.

Currently there are 9 Third Class Charter Cities in Pennsylvania: ***Bethlehem, Erie, Harrisburg, Lock Haven, Meadville, Oil City, Titusville, Williamsport and York***. Since the enactment of the Home Rule Law in 1972, it has not been possible to adopt an Optional Third Class City Charter form of government, but cities that adopted charters prior to that time retain their status unless they adopt a different form of government.

Taxing Power

In the face of cuts in federal funding for health care and other services, the aging of the population, the needs of lower-income families because of high levels of economic inequality, long-term cuts in taxation on corporations at every level of government, and the growing ravages of extreme weather events, local governments face increasing revenue crises—a lack of the resources needed to enable all families and communities as a whole to thrive.

To address these crises, local officials need new ways to raise revenues from corporations and more affluent individuals and families—those with the greatest ability to pay. New revenue

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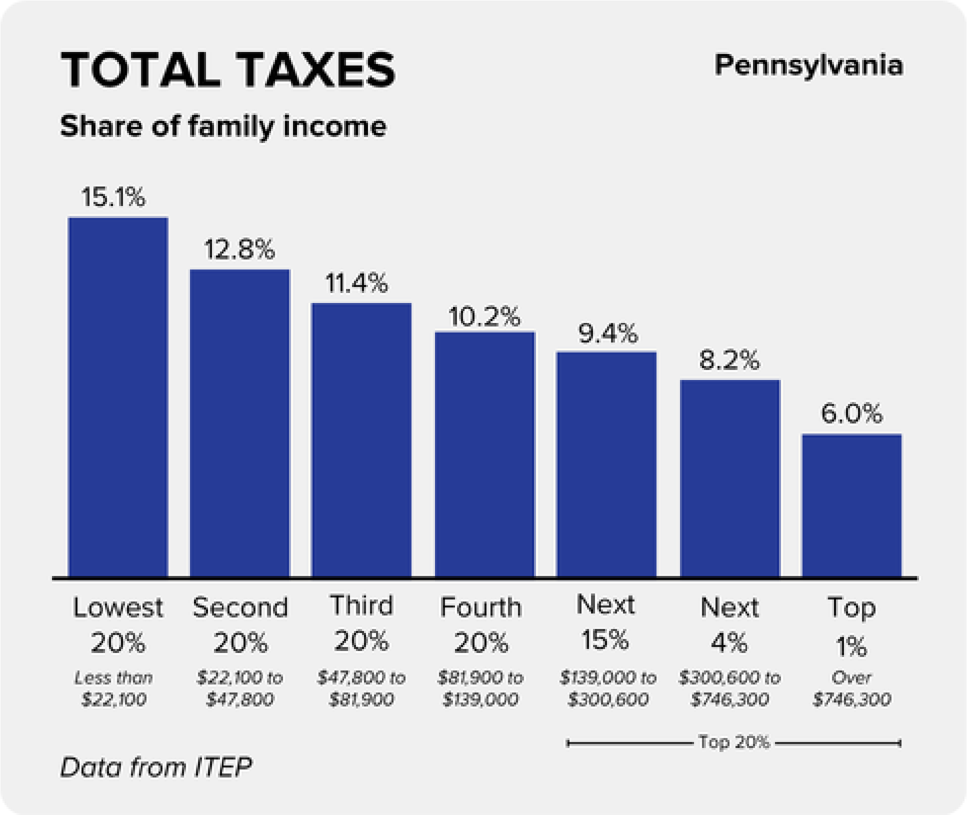
[14] 53 P.S. §41101, et seq.
[15] See 53 P.S. §§ 41303 and 41304 and Greenberg v. Bradford, 248 A.2d 51, 52 (Pa. 1968)
[16] See Greenberg at 53, in which the Pennsylvania Supreme Court rejected the argument that the general grant of powers under the two Acts should be construed differently
[17] 53 P.S. §41305)

sources—tools in the toolbox of local budget officials—are essential to enable localities to address the many challenges their families and communities face, including affordable housing.

Currently, Pennsylvania's statewide income tax and many of our local income taxes are inverted—middle-income earners pay more of their income in taxes than the rich do, and low-income families often pay the highest share of all. In fact, Pennsylvania has the 4th most regressive tax system in the country. Combining state and local income taxes across all of Pennsylvania, the poorest 20% of taxpayers, with incomes below $22,100 per year, pay 15.1% of their income on state and local taxes. This is more than double the 6% of income paid by the top 1%, who have an average income of $1.8 million a year.[18]



Pennsylvania's Local Tax Enabling Act (LTEA), also referred to as Act 511, is the main statute that authorizes municipalities, including cities (except Philadelphia), boroughs, and townships, to levy local taxes beyond real estate taxes. The LTEA grants broad taxing authority to municipalities to impose income taxes, local services taxes, business gross receipts taxes, amusement taxes, and more, subject to a series of exceptions and restrictions. The LTEA both enables municipalities to levy taxes and it sets limits. The LTEA caps certain rates, prohibits certain taxes already in place by the state (*e.g.*, sales tax), and requires uniformity within classes of taxpayers. Over time, the LTEA has further defined taxing powers and limitations through later laws like Act 32 of 2008.

[18] https://itep.org/whopays/pennsylvania-who-pays-7th-edition/

Counties are not covered by the LTEA, but their taxing powers come from a variety of statutes including the County Code and the General County Assessment Law.

The Pennsylvania Home Rule Law, Section 2962(b), authorizes Home Rule municipalities to determine their own rates of taxation, regardless of the caps specified in the LTEA. The higher rates may only be imposed upon the municipality's own residents, however; tax rates imposed on nonresidents remain subject to the LTEA caps. Philadelphia and Third Class Charter Cities do not have similar flexibility to exceed the LTEA rate caps.

The Funding Sources section of this toolkit provides two recommended taxation policies for local governments to consider that can generate revenue for your community's housing needs. The "Fair Share" Income Tax, which taxes so-called unearned income such as interest and dividends, is a progressive taxation option available to LTEA municipalities. The Intangible Wealth Tax, which taxes the value of financial and business assets, can be used by counties. These options will raise revenue from those with the most ability to pay, without putting more stress on working families.

II. Preemption

Even if municipalities have the legal authority to legislate in a certain area, they may not do so if the state or federal government has preempted local regulation.

There are three types of preemption:

- Express preemption, where the statute says that it preempts local ordinances
- Field preemption, where the statute provides such a comprehensive regulatory framework that it is clear that the legislature intended there to be no local legislation
- Conflict preemption, where the local legislation conflicts with the state statute

For local housing ordinances, the law that opponents are most likely to raise in a preemption challenge is the Landlord and Tenant Act.[19] The Commonwealth Court has held that express and field preemption do not apply in the case of the Landlord-Tenant Act.[20] That leaves conflict preemption. For conflict preemption to apply, the conflict between the statute and the ordinance must be irreconcilable: the local ordinance "may not stand as an obstacle to the execution of the full purposes and objectives of the Legislature."[21] A municipality may "make such additional regulations in aid and furtherance of the purpose of the general law as may seem appropriate to the necessities of the particular locality and which are not in themselves unreasonable."[22]

[19] Landlord and Tenant Act, 68 P.S. §§ 250.501, et seq
[20] Berwick Area Landlord Ass'n v. Borough of Berwick, 48 A.3d 524, 534 (Pa. Comm. 2012).
[21] Berwick, 48 A.3d at 534
[22] Berwick, 48 A.3d at 534

The Pennsylvania Supreme Court considered a preemption challenge to a Philadelphia rent control and good cause eviction ordinance in Warren v. City of Philadelphia,[23] Philadelphia's good cause eviction requirement specified the only grounds upon which a landlord may evict their tenant. The Court held that the ordinance was not in conflict with the Landlord and Tenant Act, as the Act sets up the procedure that a landlord must use to evict a tenant, leaving the city free to regulate *when* the landlord has the right to evict.[24] The U.S. District Court for the Eastern District of Pennsylvania followed this reasoning when it upheld Philadelphia's COVID-era eviction moratorium in HAPCO v. City of Philadelphia.[25]

III. Constitutionality

Local ordinances must comply with the United States and Pennsylvania constitutions. Courts may declare all or part of an ordinance invalid and unenforceable if it is shown to violate a person's or business' constitutional rights. Ordinances are presumed to be constitutionally valid, and a party challenging the constitutionality of an ordinance has the burden of overcoming that presumption.[26] A municipal ordinance may be declared invalid "only when it violates fundamental law clearly, palpably, plainly and in such manner as to leave no doubt or hesitation in the court's mind."[27]

A review of the various constitutional claims that might be raised to challenge municipal housing ordinances is beyond the scope of this toolkit. The following section summarizes various housing policies that local elected officials might want to explore. A few of those policies are frequent targets of legal challenge. For those (rent stabilization, inclusionary zoning and proactive rental inspection), we will link to analyses of the policy's constitutionality.

A note to the readers of this toolkit: The above sections spell out potential limitations to keep in mind as you craft policies that create more stably housed residents and welcoming communities. While it is necessary to be informed of these limitations, we urge you to continue to push for the most progressive, legally defensible version of each strategy named in this report. Keep in mind that existing systems have created the difficulties in housing we all experience today. Without bold initiatives that actively push back against the status quo, necessary change will not occur.

Additionally, please note that this toolkit is intended to provide general guidance, not legal advice. You should consult your municipal solicitor before moving forward with any policy in your jurisdiction. Local Progress and Regional Housing Legal Services are available to provide 1:1 support to Local Progress members navigating these challenges.

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[23] Warren v. City of Philadelphia, 115 A.2d 218 (Pa. 1955) ("Warren I")
[24] Warren I at 221
[25] HAPCO v. City of Philadelphia, 482 F. Supp. 3d 337 (E.D. Pa. 2020)
[26] Commonwealth v. Ashenfelder, 198 A.2d 514, 515 (Pa. 1964)
[27] Trigona v. Lender, 926 A.2d 1226, 1223 (Pa. Cmwlth. 2007)

HOUSING POLICIES

KEY

KEY

🌱 **Immediate / short-term solution**
🌲 **Long term solution**
🏢 **Applicable to type of municipality:**
- **PHI - Philadelphia**
- **PHR - Pennsylvania Home Rule**
- **OTC - Optional 3rd Class Charter City**
- **NHR - Non-Home Rule***

🪙 **Low-cost strategy**
💵 **Pair with local revenue raising tactic**
👪 **Stabilizes renters**
🍎 **Consider school board partnership in advancing this strategy**
👷 **Governs construction or management of housing**

*The applicability of a particular policy to Non-Home Rule municipalities is contingent upon the powers and limitations set forth in the municipality's enabling act.

For a reference chart showing the applicability of each housing policy by type of municipality, see here.

[ACCESS TO RENTAL HOUSING](#) 🌱🌲🏢

[ANTI-RETALIATION](#) 🌱🏢🪙 👪

[HOUSING TRUST FUND](#) 🌲🏢 👪🍎

[INCLUSIONARY ZONING](#) 🌲🏢🪙👷

[JUST CAUSE EVICTION PROTECTIONS](#) 🌲🏢🪙 👪

[RENTAL REGISTRATION AND LICENSING](#) 🌱🏢🪙 👪👷

[RENT STABILIZATION](#) 🌱🌲🏢🪙💵 👪🍎👷

[SHORT TERM RENTALS](#) 🌱🌲🏢🪙 👪

[SOCIAL HOUSING](#) 🌲🏢🪙💵 👪🍎👷

STRATEGIES TO CONSIDER

[ANTI-DISPLACEMENT](#) 🌱🏢🪙 👪🍎

[PROTECTING PEOPLE EXPERIENCING HOMELESSNESS](#)
🌱🌲🏢🪙💵🍎👷 👪

[PRESERVATION OF AFFORDABLE UNITS](#) 🌱🌲🏢🪙💵 👪👷

FUNDING SOURCES

[“FAIR SHARE” INCOME TAXES](#) 🌱🌲🏢 👪🍎👷

[COUNTY LEVEL INTANGIBLE WEALTH TAXES](#) 🌱🌲🏢 👪👷

CONCLUSION

The policies included in this toolkit were chosen to support LPPA members with the housing concerns they've raised in the meetings Local Progress has had with more than 65 members since May 2025. Reading through and identifying policies that may be useful in your municipality is the first step. This toolkit is not intended as legal advice and you should consult your municipal solicitor before moving forward with any policy in your jurisdiction.

Our network is here to offer more support as you begin to think about putting your housing plan into action. Schedule a meeting with Local Progress' Pennsylvania State Coordinator to talk about your ideas. We can connect you with the Local Progress program, legal and communications staff that can support you one on one. We can also provide peer-to-peer support by connecting you with other Local Progress Pennsylvania members who have enacted the policy you're interested in or are in the process of trying to move it forward in their jurisdiction.

Regional Housing Legal Services can provide guidance and possible assistance with legal research and legislative drafting. For more information, contact Bob Damewood at bob@rhls.org.

Three of Local Progress Pennsylvania's movement partners - One PA, PA United, and PA Stands Up, reviewed this toolkit and offered feedback. Especially for the most bold policies in this toolkit, having grassroots support is a critical piece.

A core value of Local Progress (LP) is **collaborative governance**. At LP, we believe for any organizing and policy campaign to be successful, we must break down the barriers between government and community by centering individuals who historically have been excluded or marginalized. Being able to not only build power, but wield power collectively, requires elected bodies working in authentic relationships with grassroots organizations and communities to develop a shared strategy and visions, advancing transformational policies and building long-term, durable sustainable change. Collaborative governance gives us the best chance of overcoming the deep power imbalance at the core of PA's housing crisis.

Local governments have power to address Pennsylvania's housing crisis and we hope this toolkit will support you in taking action for housing justice in your jurisdiction!