

MAINE STATE LEGISLATURE

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Legislative Document

No. 598

H. P. 1134

House of Representatives, February 17, 1943.

Referred to Committee on Legal Affairs. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Goldsmith of Orono.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-THREE

**AN ACT Authorizing the Creation of Housing Authorities in the Several
Cities and Towns.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. Title. This act shall be known as and may be referred to and cited as the "Maine Housing Authorities Act."

Sec. 2. Finding and declaration of necessity. As a matter of legislative determination, it is hereby declared:

(a) that there exist in the state insanitary or unsafe dwelling accommodations and that persons of low income are forced to reside in such insanitary or unsafe accommodations; that within the state there is a shortage of safe or sanitary dwelling accommodations available at rents which persons of low income can afford and that such persons are forced to occupy overcrowded and congested dwelling accommodations; that the aforesaid conditions cause an increase in and spread of disease and crime, especially juvenile delinquency, and constitute a menace to the health, safety, morals and welfare of the residents of the state, and seriously impair economic values; that these conditions necessitate excessive and disproportionate expend-

itures of public funds for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities;

(b) that these areas in the state cannot be cleared, nor can the shortage of safe and sanitary dwellings for persons of low income be relived through the operation of private enterprise, and that the construction of housing projects for persons of low income (as herein defined) would therefore not be competitive with private enterprise;

(c) that the clearance, replanning and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern;

(d) that it is in the public interest that work on projects for such purposes be commenced as soon as possible after the current war and to cushion postwar readjustments; and

(e) that there exists a necessity in the public interest for the provisions hereinafter enacted.

Sec. 3. Definitions. The following terms, wherever used or referred to in this act, shall have the following respective meanings, unless a different meaning clearly appears from the context:

(a) "Authority" or "housing authority" shall mean any public corporations created by section 4 of this act.

(b) "City" shall mean any city or town or any combination of cities and/or towns. The terms "the city" and "the town" shall be interchangeable and shall mean the particular city or town or combination for which a particular housing authority is created.

(c) "State public body" shall mean any city, town, county, municipal corporation, plantation, village, corporation, district, authority, other subdivision or public body of the state.

(d) "Governing body" shall mean the city council, the board of selectmen, or other legislative body charged with governing the city or town.

(e) "Mayor" shall mean the mayor of the city, the manager of the city or town, the first selectman of the town, or if the city has no mayor or manager or the town has no manager or first selectman, the officer charged with the duties customarily imposed on the executive head of the city or town.

(f) "Clerk" shall mean the clerk of the city or town or the officer charged with the duties customarily imposed on such clerk.

(g) "Area of operation" shall include the city or town, but shall not include the area which lies within the territorial boundaries of any other city or town for which a housing authority has been created.

(h) "Federal government" shall include the United States of America, the Federal Public Housing Authority, or any other agency or instrumentality, corporate or otherwise, of the United States of America.

(i) "Slum" shall mean any area, urban or rural, where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light, sanitary facilities, or heating equipment, or any combination of these or similar factors, are detrimental to safety, health and morals.

(j) "Housing project" shall mean any work or undertaking of a housing authority:

(1) to demolish, clear or remove buildings from any slum area; such work or undertaking may embrace the adaptation of such area to public purposes, including parks or other recreational or community purposes; or

(2) to provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for persons of low income; such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or

(3) to accomplish a combination of the foregoing. The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.

(k) "Persons of low income" shall mean persons or families who lack the amount of income which is necessary (as determined by the authority undertaking the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

(l) "Bonds" shall mean any bonds, notes, interim certificates, debentures, or other obligations issued by the authority pursuant to this act.

(m) "Real property" shall include all lands, including improvements

and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

(n) "Obligee of the authority" or "obligee" shall include any bondholder, trustee or trustees for any bondholders, or lessor demising to the authority property used in connection with a housing project, or any assignee or assignees of such lessor's interest or any party thereof, and the federal government when it is a party to any contract with the authority.

Sec. 4. Creation of housing authorities. In each city (as herein defined) there is hereby created a public body corporate and politic to be known as the "housing authority" of the city; (for example, the legal title shall be "Housing Authority, City of, Maine" or "Housing Authority, Town of, Maine"); provided, however, that such authority shall not transact any business or exercise its powers hereunder until or unless the governing body of the city, by proper resolution shall determine at any time hereafter that there is need for an authority to function in such city. The determination as to whether or not there is such need for an authority to function

(a) may be made by the governing body on its own motion, or

(b) shall be made by the governing body upon the filing of a petition signed by 25 residents of the city, asserting that there is need for an authority to function in such city and requesting that the governing body so declare.

The governing body shall adopt a resolution declaring that there is need for a housing authority in the city, if it shall find (a) that insanitary or unsafe inhabited dwelling accommodations exist in such city or (b) that there is a shortage of safe or sanitary dwelling accommodations in such city available to persons of low income at rentals they can afford.

In determining whether dwelling accommodations are unsafe or insanitary said governing body may take into consideration the degree of overcrowding, the percentage of land coverage, the light, air, space and access available to the inhabitants of such dwelling accommodations, the size and arrangement of the rooms, the sanitary facilities, and the extent to which conditions exist in such buildings which endanger life or property by fire or other causes.

In any suit, action or proceeding involving the validity or enforcement of

or relating to any contract of the authority, the authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers hereunder upon proof of the adoption of a resolution by the governing body declaring the need for the authority. Such resolution shall be deemed sufficient if it declares that there is such need for an authority and finds in substantially the foregoing terms (no further detail being necessary) that either or both of the above-enumerated conditions exist in the city. A copy of such resolution duly certified by the clerk shall be admissible in evidence in any suit, action or proceeding.

Sec. 5. Appointment, qualifications and tenure of members. When the governing body of a city adopts a resolution as aforesaid, it shall promptly notify the mayor of such adoption. Upon receiving such notice, the mayor shall appoint 5 persons as members of the authority created for said city. The members who are first appointed shall be designated to serve for terms of 1, 2, 3, 4 and 5 years, respectively, from the date of their appointment, but thereafter members shall be appointed as aforesaid for a term of office of 5 years except that all vacancies shall be filled for the unexpired term. No members of an authority may be an officer or an employee of the city for which the authority is created. A member shall hold office until his successor has been appointed and has qualified, unless sooner removed according to this act. A certificate of the appointment or reappointment of any member shall be filed with the clerk and such certificate shall be conclusive evidence of the due and proper appointment of such member. Before the expiration of 30 days from the date of the filing of such certificate of appointment, any person so appointed shall personally appear before the clerk to qualify by taking an oath of office; and immediately upon the taking of such oath, a certificate of qualification shall be filed by the clerk and such certificate shall be conclusive evidence of the due and proper qualification of such member. No appointed member shall be deemed to have become qualified to act or serve as a member of an authority until the filing of such certificate of qualification. A member shall receive no compensation for his services for the authority, in any capacity, but he shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties.

The powers of each authority shall be vested in the members thereof in office from time to time. Three members shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the authority upon a vote of a majority of the members present, unless in any case the by-laws of the authority shall require a larger number. The mayor shall

designate which of the members appointed shall be the first chairman and he shall serve in the capacity of chairman until the expiration of his term of office as member. When the office of the chairman of the authority thereafter becomes vacant, the authority shall select a chairman from among its members. An authority shall select from among its members a vice-chairman, and it may employ a secretary (who shall be executive director), a treasurer, technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. An authority shall require the filing of a bond with sufficient surety or sureties, satisfactory to such authority, by all persons trusted with the collection, care, custody or disbursement of any of the monies of the authority, and it may require such bond from such other officers and employees as it may deem advisable; the premium to be paid by the authority. For such legal services as it may require, an authority shall employ its own counsel and legal staff. An authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper.

Sec. 6. Interested members or employees. No members or employee of an authority shall acquire any interest direct or indirect in any housing project or in any property included or planned to be included in any project, nor shall he have any interest direct or indirect in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project. If any member or employee of an authority owns or controls an interest direct or indirect in any property included or planned to be included in any housing project, he shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure so to disclose such interest shall constitute misconduct in office. Upon such disclosure such member or employee shall not participate in any action by the authority affecting such property.

Sec. 7. Removal of members. For inefficiency or neglect of duty or misconduct in office, a member of an authority may be removed by the mayor, but a member so removed shall be given, by service in hand by duly authorized officer, a copy of the charges upon which his removal is based within not more than 3 days after his removal and, within not more than 15 days thereafter, shall be given the opportunity to be heard in person or by counsel, by the governing body of city for which the authority was created; which body shall sit in an appellate capacity to review the charges and supporting evidence upon which the removal was based. The hearing shall be public or private at the option of the member removed. In a majority decision the governing body shall either (a) affirm the action

of the mayor or (b) return a finding of not guilty of the charges preferred. If the governing body affirms the action of the mayor, the termination of the term of such removed member shall date back to the day on which he was removed by the mayor. In cases where a finding of not guilty is returned, the member shall continue to hold office as though no removal proceedings had been instituted, and such member shall be reimbursed by the city for all reasonable expenses incurred by him in defense of the removal proceedings upon which such findings is returned, and such governing body shall determine in their findings what constitutes such reasonable expenses. In the event of the instituting of removal proceedings against any member, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk.

Sec. 8. Powers of authority. An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including the following powers in addition to others herein granted:

(a) To sue and be sued; to have an official seal which shall be judicially recognized and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal by-laws, such rules and regulations, not inconsistent with this act, as may be necessary to carry into effect the powers and purposes of the Authority.

(b) Within its area of operation: to prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof.

(c) To arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants thereof; and (notwithstanding anything to the contrary contained in this act or in any other provision of law) to include in any contract let in connection with a project, stipulations requiring that the contractor and subcontractors comply with the requirements as to minimum wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project.

(d) To lease or rent any dwellings, houses, accommodations, land,

buildings, structures or facilities embraced in any housing project and (subject to the limitations contained in this act) to establish and revise the rents or charges therefor; to own, hold, and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property; to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards; to procure or agree to the procurement of insurance or guarantees from the federal government of the payment of any bonds or parts thereof issued by an authority, including the power to pay premiums on any such insurance.

(e) To borrow money in anticipation of money to be received from the sale of bonds to be issued by it, in cases where such bond issue has been authorized.

(f) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled.

(g) Within its area of operation: to investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions; to determine where slum areas exist or where there is a shortage of decent, safe and sanitary dwelling accommodations for persons of low income; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of slum areas, and the problem of providing dwelling accommodations for persons of low income, and to cooperate with the city, the county, the state or any political subdivision thereof in action taken in connection with such problems; and to engage in research, studies and experimentation on the subject of housing.

(h) Acting through 1 or more members or other person or persons designated by the authority; to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority, or excused from attendance; to make available to appropriate agencies (includ-

ing those charged with the duty of abating or requiring the correction of nuisances or like conditions, or of demolishing unsafe or insanitary structures within its area of operation) its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare.

(i) To exercise all or any part or combination of powers herein granted. No provisions of law with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to an authority unless the legislature shall specifically so state.

Sec. 9. Operation not for profit. It is hereby declared to be the policy of this state that each housing authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations, and that no housing authority shall construct or operate any such project for profit, or as a source of revenue to the city. To this end an authority shall fix the rentals for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived) will be sufficient (a) to pay, as the same become due, the principal and interest on the bonds of the authority; (b) to meet the cost of, and to provide for, maintaining and operating the projects (including the cost of any insurance) and the administrative expenses of the authority; and (c) to create (during not less than the 6 years immediately succeeding its issuance of any bonds) a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any 1 year thereafter and to maintain such reserve.

Sec. 10. Rentals and tenant selection. In the operation or management of housing projects an authority shall at all times observe the following duties with respect to rentals and tenant selection: (a) it must rent or lease the dwelling accommodations therein only to persons of low income and at rentals within the financial reach of such persons of low income; (b) it must rent or lease to a tenant dwelling accommodations consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; (c) it shall not accept any person as a tenant in any housing project if the person or persons who would occupy the dwelling accommodations have an annual net income in excess of 5 times the annual rental charge of the quarters to be furnished such person

or persons, except that in the case of families with 3 or more minor dependants, such ratio shall not exceed 6 to 1; in computing the rental charge for this purpose of selecting tenants, there shall be included in such rental charge the average annual cost (as determined by the authority) to occupants of heat, water, electricity, gas, cooking range and other necessary service, utilities or facilities, whether or not the charge for such services, utilities and facilities is in fact included in the rental; and (d) in order not to discourage individual initiative it may within its discretion permit any person or persons who have already been accepted as tenants and who already occupy a single dwelling accommodation within the project to retain such accommodation even though the annual net income of such person or persons rises not to exceed 7 times the annual rental charge of the quarters except that in the case of families with 3 or more dependent minors such ratio is not to exceed 8 to 1. Further, in such circumstances the authority may in its discretion cause the annual rental to be increased but in no case shall the additional rental exceed $\frac{1}{4}$ of the annual increase in income of the person or persons affected. Application of this subsection, or any part of it, may be suspended at any time if such action is found contrary to standards imposed by any federal agency which is authorized to extend financial aid to local housing authorities; and (e) it shall wherever practical give first consideration to the application for admission to the public housing project of any person or persons whose usual dwelling is in a slum area as previously defined.

Nothing contained in this or the preceding section shall be construed as limiting the power of an authority to vest in an obligee the right, in the event of a default by the authority, to take possession of a housing project or cause the appointment of a receiver thereof, free from all the restrictions imposed by this or the preceding section.

Sec. 11. Eminent domain. An authority shall have the right to acquire by the exercise of the power of eminent domain any real property which it may deem necessary for its purposes under this act after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. An authority may exercise the power of eminent domain in the manner provided in sections 11 to 23 of chapter 69 of the revised statutes of Maine, 1930, and acts amendatory thereof or supplementary thereto; or it may exercise the power of eminent domain in the manner provided by any other applicable statutory provision for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner, provided that no real

property belonging to the city, the county, the state or any political subdivision thereof may be acquired without its consent.

Sec. 12. Planning, zoning and building laws. All housing projects of an authority shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the housing project is situated. In the planning and location of any housing project, an authority shall take into consideration the relationship of the project to any larger plan or long-range program for the development of the area in which the housing authority functions.

Sec. 13. Bonds. An authority shall have power to issue bonds from time to time in its discretion, for any of its corporate purposes. An authority shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An authority may issue such types of bonds as it may determine, including (without limiting the generality of the foregoing) bonds on which the principal and interest are payable from income and revenues of the authority and from grants or contributions from the federal government or other source. Such income and revenues securing the bonds may be: (a) exclusively the income and revenues of the housing project financed with the proceeds of such bonds; (b) exclusively the income and revenues of certain designated housing projects, whether or not they are financed in whole or in part with the proceeds of such bonds; or (c) the income and revenues of the authority generally. Any such bonds may be additionally secured by a pledge of an income or revenues of the authority, or a mortgage of any housing project, projects or other property of the authority.

Neither the members of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an authority (and such bonds and obligations shall so state on their face) shall not be a debt of the city, the county, the state or any political subdivision thereof and neither the city or the county, nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority. The bonds shall not constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

Sec. 14. Form and sale of bonds. Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding 6% per annum, be in such denomina-

tion or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide. Bonds may be issued in equal annual, serial installments as pertain to principal, and interest in such cases shall be made payable semi-annually.

The bonds shall be sold at not less than par at public sale held after notice published once at least 5 days prior to such sale in a newspaper having a general circulation in the area of operation and in a financial newspaper published in the city of New York, New York; provided, that such bonds may be sold to the federal government at private sale at not less than par and, in the event less than all the bonds authorized in connection with any project or projects are sold to the federal government, the balance of such bonds may be sold at private sale at not less than par at an interest cost to the authority of not to exceed the interest cost to the authority of the portion of the bonds sold to the federal government.

All bonds issued by an authority shall be signed by the chairman and the treasurer of such authority; and the coupons should bear the facsimile signature of the treasurer.

In case any of the members or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such members or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this act shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforceability of any bond of an authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a housing project to provide dwelling accommodations for persons of low income shall be conclusively deemed to have been issued for a housing project of such character and said project shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of this act.

Sec. 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 rents, fees or 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 rents, fees and revenues, or against mortgaging all or any part of its real or personal property, to which its right or title then 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 housing project or any part thereof; 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 rents and fees to be charged in the operation of a housing project or projects, the amount to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves, 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 use of any or all of its real or personal property; 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 as to events of default and 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 trustees 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 or trustees the right, in the event of a default by said authority, to take possession and use, operate and manage any housing project or part thereof, 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 trustees; to provide for the powers and duties of a trustee or trustees and to limit the liabilities thereof; and to provide the terms and conditions upon which the trustee or trustees 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 combinations of the powers herein granted; to make covenants other than and in addition to the covenants herein expressly authorized, of like or different character, 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 said authority, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

Sec. 16. Certification of attorney-general. An authority may submit to the attorney-general any bonds to be issued hereunder after all proceedings for the issuance of such bonds have been taken. Upon the submission of such proceedings to the attorney-general, it shall be his duty to examine into and pass upon the legality of such bonds and the regularity of all proceedings in connection therewith. If such proceedings conform to the provisions of this act and are otherwise regular in form and if such bonds when delivered and paid for will constitute binding and legal obligations of the authority enforceable according to the terms thereof, the attorney-general shall so state in an opinion and shall certify in substance upon the back of each of said bonds that it is issued in accordance with the constitution and laws of the state of Maine. Such original opinion and a complete transcript of proceedings covering all details

required in the proper issuance of the bonds shall be filed with the clerk of the city or town for which the authority was created.

Sec. 17. 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 restriction binding upon such obligee:

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

(b) By suit, action or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said authority.

Sec. 18. Additional remedies conferrable by authority. An authority shall have power by its resolution, trust indenture, mortgage, lease or other contract to confer upon any obligee holding or representing a specified amount 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 cause possession of any housing project or any part thereof to be surrendered to any such obligee.

(b) To obtain the appointment of a receiver of any housing project of said authority or any part thereof and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of such housing project or any part thereof and operate and maintain same, and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of said authority as the court shall direct.

(c) To require said authority and the commissioners thereof to account as if it and they were the trustees of an express trust.

Sec. 19. Exemption of property from execution sale. All real property of an authority shall be exempt from levy and sale by virtue of an execu-

tion, and no execution or other judicial process shall issue against the same nor shall judgment against an authority be a charge or lien upon its real property; provided, however, that the provisions of this section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of an authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by an authority on its rents, fees, or revenues.

Sec. 20. Aid from federal 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 contributions, grants or other financial assistance from the federal government for or in aid of any housing project within its area of operation, to take over or lease or manage any housing project or undertaking constructed or owned by the federal government, and to these ends, to comply with such conditions and enter into such mortgages, trust indentures, leases or agreements as may be necessary, convenient or desirable. 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 federal government in the undertaking, construction, maintenance or operation of any housing project of such authority.

Sec. 21. Tax exemption and payments in lieu of taxes. The property of an authority is declared to be public property used for essential public and governmental purposes, and such property and an authority shall be exempt from all taxes and special assessments of the city, the county, the state or any political subdivision thereof; provided, however, that in lieu of such taxes an authority shall make payments to the city for improvements, services and facilities furnished by the city for the benefit of a housing project. Such payments shall be in the amount last levied as the annual tax of the city, county, and state, or any political subdivisions thereof, upon the property included in said project prior to the time of its acquisition by the authority.

Sec. 22. Bonds, legal investments and security. Notwithstanding any restrictions on investments contained in any laws of this state, the state and all public officers, municipal corporations, political subdivisions, and public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and

toher fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or other obligations issued by an authority pursuant to the provisions of this act, and such bonds and other obligations shall be authorized security for all public deposits; it being the purpose of this section to authorize any persons, firms, corporations, associations, political subdivisions, bodies and officers, public or private, to use any funds owned or controlled by them, including (but not limited to) sinking, insurance, investment, retirement, compensation, pension and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations; provided, however, that nothing contained in this section shall be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities.

Sec. 23. Reports. At least once a year, an authority shall file with the clerk a report of its activities for the preceding year, and shall make recommendations with reference to such additional legislation or other action as it deems necessary in order to carry out the purposes of this act.

Sec. 24. Cooperation in undertaking housing projects. For the purpose of aiding and cooperating in the planning, undertaking, construction, reconstruction, or operation of housing projects located within the area in which it is authorized to act, any state public body may upon such terms, with or without consideration, as it may determine:

(a) Dedicate, release, sell, convey or lease any of its interests in any property, or grant easements, licenses or any other rights or privileges therein to a housing authority or the federal government;

(b) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects;

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places which it is otherwise empowered to undertake;

(d) Plan or replan, zone or rezone any part of such state public body; make exceptions from building regulations and ordinances; any city also may change its map;

(e) Cause services to be furnished to the housing authority of the character which such state public body is otherwise empowered to furnish;

(f) Enter into agreements with respect to the exercise by such state public body of its powers relating to the repair, elimination or closing of unsafe, insanitary or unfit dwellings;

(g) Employ (notwithstanding the provisions of any other law) any funds belonging to or within the control of such state public body, including funds derived from the sale or furnishing of property or facilities to a housing authority, in the purchase of the bonds or other obligations of a housing authority; and exercise all the rights of any holder of such bonds or other obligations;

(h) Do any and all things, necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of such housing projects;

(i) Incur the entire expense of any public improvement made by such state public body in exercising the powers granted in this act; and

(j) Enter into agreements (which may extend over any period notwithstanding any provision or rule of law to the contrary), with a housing authority respecting action to be taken by such state public body pursuant to any of the powers granted by this act. Any law or statute to the contrary notwithstanding, any sale, conveyance, lease or agreement provided for in this section may be made by a state public body without appraisal, public notice, advertisement or public bidding;

(k) With respect to any housing project which a housing authority has acquired or taken over from the federal government and which the housing authority by resolution has found and declared to have been constructed in a manner that will promote the public interest and afford necessary safety, sanitation and other protection, no state public body shall require any changes to be made in the housing project or the manner of its construction or take any other action relating to such construction.

Sec. 25. Agreements as to payments by housing authority. In connection with any housing project located wholly or partly within the city, the city may agree with a housing authority or the federal government that a certain sum (in no event to exceed the amount last levied as the annual tax of the city upon the property included in said project prior to the time of its acquisition by the housing authority) or that no sum, shall be paid by the authority in lieu of taxes for any year or period of years.

Sec 26. Advances to housing authority. Any city in which a housing authority has been created shall have the power from time to time to lend

or donate money to such authority or to agree to take such action. Such housing authority, when it has money available therefor, shall make reimbursements for all such loans made to it.

Sec. 27. Supplemental nature of act. The powers conferred by this act shall be in addition and supplemental to the powers conferred by any other law.

Sec. 28. Validating provisions. If any provision of this act, or the application thereof to any person or circumstances, shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid, the remainder of the act and the application thereof of such provisions to persons or circumstances other than those directly involved in the controversy in which such judgment shall have been rendered, shall not be affected, impaired or invalidated thereby.

Sec. 29. Constitutionality of act. If any section, subsection, sentence, clause, or phrase of this act is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act.

Sec. 30. Amendatory provisions. Insofar as the provisions of this act are inconsistent with the provisions of any other public or special law, or local ordinance, the provisions of this act shall prevail and be controlling.

