

MAINE STATE LEGISLATURE

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N I N E T Y - F O U R T H L E G I S L A T U R E

Legislative Document

No. 173

H. P. 575

House of Representatives, January 27, 1949.

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

HARVEY R. PEASE, Clerk.

Presented by Mr. Burgess of Rockland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-NINE

AN ACT Relating to Housing and Redevelopment.

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

R. S., c. 81-A, additional. The revised statutes are hereby amended by adding thereto a new chapter to be numbered 81-A, to read as follows:

‘CHAPTER 81-A.

HOUSING AND REDEVELOPMENT.

Sec. 1. Short title. This chapter may be referred to as the “Housing and Redevelopment Law.”

Sec. 2. Finding and declaration of necessity. It is hereby declared that there exist in urban and rural areas in the state insanitary, unsafe and overcrowded dwelling accommodations; that in such urban and rural areas within the state there is a shortage of safe or sanitary dwelling accommodations available at rents or prices which persons, particularly veterans, of low income can afford and that such shortage forces such persons to occupy insanitary, unsafe and overcrowded dwelling accommodations; that the aforesaid conditions, and the existence of blighted areas, impair economic values and tax revenues; that these conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state; that these conditions neces-

sitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities; that these areas in the state cannot be cleared, nor can the shortage of safe and sanitary dwellings for persons of low income be relieved, 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; that the construction of such projects would make housing available for returning veterans of low income who are unable to provide themselves with recent housing on the basis of the benefits heretofore made available to them through certain government guarantees of loans to veterans for the purchase of residential property; that the clearance, replanning and preparation for rebuilding of these areas, the prevention or the reduction of blight and its causes, 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; that there are also certain areas where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts, or other conditions prevent a proper development of the land, and that it is in the public interest that such areas, as well as blighted areas, as herein defined, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment plan, and that the exercise of the power of eminent domain and the financing of the acquisition and preparation of land by a public agency for such redevelopment is likewise a public use and purpose; that residential construction activity is closely correlated with general economic activity and that the undertakings authorized by this chapter to aid the production of better housing and more desirable neighborhood and community development at lower costs will make possible a more stable and larger volume of residential construction which will assist materially in achieving and maintaining full employment; and that it is in the public interest that advance preparations for such projects and activities be made now, and that the necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

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

“Area of operation”: in the case of an authority of a city, shall include such city and the area within 5 miles of the territorial boundaries thereof;

provided, however, that the area of operation of an authority of any city shall not include any area which lies within the territorial boundaries of some other city as herein defined; in the case of an authority of a county, shall include all of the county for which it is created; and in the case of a regional authority, shall include all of the counties for which such regional authority is created; provided, however, that a county authority or a regional authority shall not undertake any project or projects within the boundaries of any city, as herein defined, unless a resolution shall have been adopted by the governing body of such city, and by any authority which shall have been theretofore established and authorized to exercise its powers in such city, declaring that there is a need for the county or regional authority to exercise its powers within such a city.

“Authority” or “housing authority” shall mean any of the public corporations created or authorized to be created by this chapter.

“Blighted area” shall mean any area, including slum areas, with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage or deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.

“Bonds” shall mean any bonds, notes, interim certificates, debentures or other obligations issued by an authority pursuant to this chapter.

“City” shall mean any city or town having a population of 5,000 or more inhabitants, according to the last preceding federal or state census. “The city” shall mean the particular city, as herein defined, for which a particular housing authority is created.

“Clerk” shall mean the clerk of the city, town or county, as the case may be, or the officers charged with the duties customarily imposed on such clerk.

“County” shall mean any county in this state. “The county” shall mean the particular county for which a particular housing authority is created.

“Farmers of low income” shall mean persons or families who at the time of their admission to occupancy in a dwelling of the authority or at the time of their application to an authority for financial aid derive their principal income from operating or working upon a farm; and whose average net income is less than the amount which is necessary, as determined by the authority undertaking a project, to enable them, with financial assistance, to obtain or provide themselves with decent, safe and sanitary housing.

“Federal government” shall include the United States of America, the public housing administration, or any other agency or instrumentality, corporate or otherwise of the United States of America.

“Governing body” shall mean, in the case of a city, the city council; in the case of a town, the selectmen; in the case of a county, the county commissioners; or other legislative body of such city, town or county; and in the case of any other state public body, the council, board or other body having charge of the fiscal affairs of such state public body.

“Housing project” shall mean any work or undertaking; to demolish, clear or remove buildings from any blighted area acquired by the authority; or 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, utilities, parks, site preparation, landscaping, administrative, community, health, recreational, welfare or other purposes; or 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.

“Mayor” shall mean the mayor of the city or the officer thereof charged with the duties customarily imposed on the mayor or executive head of the city.

“Obligee of the authority” or “obligee” shall include any bondholder, agents or trustees for any bondholders, or lessor demising to the authority property used in connection with a project, or any assignee or assignees of such lessor’s interest or any part thereof, and the federal government when it is a party to any contract with the authority.

“Persons of low income” shall mean persons or families who lack the amount of income which is necessary as determined by the authority undertaking a project, to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding; and the term “persons of low income” shall include “farmers of low income” as herein defined.

“Project” shall mean a housing project or a redevelopment project, or both. The term “project” also may be applied to all real and personal prop-

erty, assets, cash or other funds held or used in connection with the development or operation of the housing project or redevelopment project, as the case may be.

“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.

“Redevelopment plan” shall mean a plan approved by the governing body, or agency designated by it for that purpose or authorized by law so to act, of each city, town or other municipality in which any of the area to be covered by a redevelopment project is situated, which plan provides an outline for the development or redevelopment of such area and is sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements; to indicate proposed land uses and building requirements in such area; and to indicate the method for the temporary relocation of persons living in such areas; and also the method for providing, unless already available, decent, safe and sanitary dwellings substantially equal in number to the number of substandard dwellings to be cleared from said area, at rents within the financial reach of the income groups displaced from such substandard dwellings.

“Redevelopment project” shall mean any work or undertaking: to acquire blighted areas and other real property for the purpose of removing, preventing or reducing blight, blighting factors or the causes of blight; to acquire real property where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts or other conditions prevent a proper development of the property, and the acquisition of the area by the authority is necessary to carry out a redevelopment plan; to clear any areas acquired and install, construct or reconstruct streets, utilities and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; to sell or lease land so acquired for uses in accordance with the redevelopment plan; or to accomplish a combination of the foregoing to carry out a redevelopment plan.

“State public body” shall mean any city, town, plantation, village corporation, county, municipality, commission, district, authority, other subdivision or other public body of the state.

Sec. 4. Creation of city and county authorities. In each city, as herein defined, and in each county of the state there is hereby created a public

body corporate and politic to be known as the "housing authority" of the city or county; provided, however, that such authority shall not transact any business or exercise its powers hereunder until or unless the governing bond of the city or county, as the case may be, by proper resolution shall declare at any time hereafter that there is need for an authority to function in such city or county; and provided further that any housing authority created and existing pursuant to chapter 260 of the public laws of 1943 shall, notwithstanding the expiration of that chapter, continue in existence for the purposes of and shall have the powers granted by this chapter if the governing body of the city or county for which such housing authority was created declares by proper resolution that there is need for such housing authority to exercise the powers granted by this chapter.

The governing body shall give consideration as to the need for an authority on its own motion or upon the filing of a petition signed by 25 qualified voters of the city or county, as the case may be, asserting that there is need for an authority to function in such city or county and requesting that its governing body so declare.

The governing body shall adopt a resolution declaring that there is need for an authority in the city or county, as the case may be, if it shall find that insanitary or unsafe inhabited dwelling accommodations, or blighted areas, exist in such city or county, or that there is a shortage of safe or sanitary dwelling accommodations in such city or county available to persons of low income at rentals or prices they can afford.

Sec. 5. Creation of regional authorities. If the governing body of each of 2 or more contiguous counties by resolution declares that there is a need for one housing authority to be created for all of such counties to exercise in such counties powers and other functions prescribed for a regional authority, a public body corporate and politic to be known as a regional authority shall thereupon exist for all of such counties, and shall exercise its powers and other functions in such counties, in lieu of the authority for each such county. The governing body of each of 2 or more contiguous counties shall by resolution declare that there is a need for one regional authority to be created for all of such counties to exercise in such counties powers and other functions prescribed for a regional authority, if such governing body finds that insanitary or unsafe inhabited dwelling accommodations, or blighted areas, exist in such county or there is a shortage of safe or sanitary dwelling accommodations in such county available to persons of low income at rentals or prices they can afford, and that a regional authority would be a more efficient or economical administrative

unit than the authority of such county to carry out the purposes of this chapter in such county.

The area of operation of a regional authority shall be increased from time to time to include one or more additional contiguous counties not already within a regional housing authority if the governing body of such additional county or counties makes the findings required by the preceding paragraph; and if the counties then included in the area of operation of such regional authority and the commissioners of the regional authority adopt a resolution declaring that the regional authority would be a more efficient or economical administrative unit to carry out the purposes of this chapter in case the area of operation of the regional authority were increased to include such additional county or counties.

The governing body of a county shall not adopt any resolution authorized by this section unless a public hearing has first been held. The clerk of such county shall give notice of the time, place and purpose of the public hearing at least 10 days prior to the day on which the hearing is to be held, in a newspaper published in such county, or if there is no newspaper published in such county, then in a newspaper published in the state and having a general circulation in such county. Upon the date fixed for such public hearing an opportunity to be heard shall be granted to all residents of such county and to all other interested persons.

Sec. 6. Appointments, qualifications, tenure and meetings of commissioners. 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, by and with the advice and consent of the governing body, shall appoint 5 persons as commissioners of the authority created for said city, and when the governing body of a county adopts a resolution as aforesaid, said body shall appoint 5 persons as commissioners of the authority created for said county; provided that if there is a housing authority existing in any such city or county pursuant to chapter 260 of the public laws of 1943, the commissioners of such housing authority shall continue in office until the expiration of their respective terms of office as prescribed in said chapter, but thereafter the commissioners of such housing authority shall be appointed in the manner prescribed in this paragraph. The commissioners who are first appointed pursuant to this chapter shall be designated to serve for terms of 1, 2, 3, 4 and 5 years, respectively, from the date of their appointment, but thereafter commissioners shall be appointed as aforesaid for a term of office of 5 years except that all vacancies shall be filled for the unexpired term, all such appointments to be made by the official or body making the original appointment.

The governing body of each county included in a regional authority shall appoint one person as a commissioner of such authority, and each such commissioner to be first appointed by the governing body may be appointed at or after the time of the adoption of the resolution declaring the need for such regional authority or declaring the need for the inclusion of such county in the area of operation of such regional authority. When the area of operation of a regional authority is increased to include an additional county or counties as provided above, the governing body of each such additional county shall thereupon appoint one additional person as a commissioner of the regional authority. The governing body of each county shall appoint the successors of the commissioner appointed by it. The commissioners of a regional authority shall be appointed for terms of 5 years except that all vacancies shall be filled for the unexpired terms.

A commissioner shall receive no compensation for his services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each commissioner shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the authority and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner.

The powers of each authority shall be vested in the commissioners thereof in office from time to time. A majority of the commissioners of an authority shall constitute a quorum of such 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 commissioners present, unless in any case the bylaws of the authority shall require a larger number. Meetings of the commissioners of an authority may be held anywhere within the perimeter boundaries of the area of operation of the authority or within any additional area where the authority is authorized to undertake a project. Appointments may be made by any persons as commissioners of the authority who reside within such boundaries or area, and who are otherwise eligible for such appointments under the provisions of this chapter.

The commissioners of an authority shall elect a chairman and vice-chairman from among the commissioners. An authority may employ an executive director, technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. For such legal services as it may require, an authority may call upon the chief law officer of a city

or county or may 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. 7. Determinations by governing body. In determining as provided in sections 4 and 5 whether dwelling accommodations are unsafe or insanitary, a governing body may take into consideration the physical condition of the dwelling accommodations, 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 adequacy of sanitary facilities and water supply, 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, an 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 the resolution or resolutions herein prescribed declaring the need for the authority. Each such resolution or resolutions shall be deemed sufficient if it declares that there is such need for an authority and finds in substantially the terms provided in the preceding sections, no further detail being necessary, that the conditions therein enumerated exist. A copy of such resolution duly certified by the clerk shall be admissible in evidence in any suit, action or proceeding.

Sec. 8. Interested commissioners or employees. No commissioner or employee of an authority shall acquire any interest direct or indirect in any 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 project. If any commissioner or employee of an authority previously owned or controlled an interest direct or indirect in any property included or planned to be included in any project, he immediately shall disclose such interest 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 commissioner or employee shall not participate in any action by the authority affecting such property.

Sec. 9. Removal of commissioners. For inefficiency or neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor, or in the case of an authority for a county or region, by the body

which appointed such commissioner, but a commissioner shall be removed only after a hearing and after he shall have been given a copy of the charges at least 10 days prior to such hearing and had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk.

Sec. 10. 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 chapter, but not the power to levy and collect taxes or special assessments, including the following powers in addition to others herein granted:

I. To sue and to be sued; to have a seal 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, rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority;

II. Within its area of operation: to prepare, carry out and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration or repair of any project or any part thereof;

III. To undertake and carry out studies and analyses of the housing needs within its areas of operation and of the meeting of such needs, including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages and other factors affecting the local housing needs and the meeting thereof, and to make the results of such studies and analyses available to the public and the building, housing and supply industries; and to engage in research and disseminate information on housing and redevelopment;

IV. 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 its projects; and, notwithstanding anything to the contrary contained in this chapter or in any other provision of law, to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor, and comply with any conditions attached to the financial aid of the project;

V. To lease or rent any dwellings, accommodations, lands, buildings, structures or facilities embraced in any project and, subject to the limitations contained in this chapter with respect to the rental of dwellings in housing projects, 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 federal or state government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority, including the power to pay premiums on any such insurance;

VI. 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 redeem its bonds at the redemption price established therein or to purchase its bonds at less than such redemption price, all bonds so redeemed or purchased to be cancelled;

VII. Within its area of operation: to determine where blighted areas exist or where there is unsafe, insanitary or overcrowded housing; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of blighted areas and the problem of eliminating unsafe, insanitary or overcrowded housing; and to cooperate with the city, the county, the state or any political subdivision thereof in action taken in connection with such problems;

VIII. Acting through one or more commissioners or other 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, including 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 recom-

mendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare;

IX. To exercise all or any part or combination of powers herein granted.

No provision 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. 11. Operation of housing not for profit. It is hereby declared to be the policy of this state that each authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals or payments for dwelling accommodations at low rates consistent with its providing decent, safe and sanitary dwelling accommodations for persons of low income and that no authority shall construct or operate any housing project for profit, or as a source of revenue to the city or the county. To this end an authority shall fix the rentals or payments 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 to pay, as the same become due, the principal and interest on the bonds of the authority; to create and maintain such reserves as may be required to assure the payment of principal and interest as it becomes due on its bonds; to meet the cost of, and to provide for, maintaining and operating the projects, including necessary reserves therefor and the cost of any insurance, and the administrative expenses of the authority; and to make such payments in lieu of taxes as it determines are consistent with the maintenance of the low-rent character of projects.

Sec. 12. Housing rentals and tenant admissions. In the operation or management of housing projects an authority shall at all times observe the following duties with respect to rentals and tenant admissions:

I. It may 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;

II. It may 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;

III. An authority in its operations within a city shall not accept any person or persons as tenants in any housing project if the person or per-

sons who occupy the dwelling accommodations have an aggregate annual net income in excess of 5 times the annual rental of the quarters to be furnished such person or persons, except that in the case of persons with 3 or more minor dependents, such ratio shall not exceed 6 to 1; in computing the rental for this purpose of admitting tenants, there shall be included in the rental the average annual cost, as determined by the authority, to occupants of heat, water, electricity, gas, cooking fuel and other necessary services or facilities, whether or not the charge for such services and facilities is included in the rental.

In the selection of tenants for housing projects, a housing authority shall give preference, as among applicants equally in need and eligible for occupancy of the dwelling at the rent involved, to families of veterans and servicemen, including families of deceased veterans or servicemen, where application for admission to a dwelling is made not later than 5 years after February 1, 1949. As used in this section the term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable; and the term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1949, and prior to July 26, 1947.

Nothing contained in this or the preceding section shall be construed as limiting the power of an authority with respect to a housing project, to vest in an obligee the right, in the event of a default by the authority, to take possession thereof or cause the appointment of a receiver thereof, free from all the restrictions imposed by this or the preceding section; or, with respect to a redevelopment project, the right, in the event of a default by a purchaser or lessee of land, to acquire property and operate it free from such restrictions.

Sec. 13. Rural housing. It is hereby determined that housing cannot be provided on farms except on the basis of individual applications filed by the owners of such farms. The owner of a farm operated, or worked upon, by a farmer of low income may file an application with the authority established for that area, requesting that it provide a dwelling on the farm for occupancy by that farmer of low income, who may be the farm owner or the person operating or working upon the farm. All applications received shall be examined by an authority in the formulation of its farm housing program.

No dwelling shall be provided on a farm by an authority unless it has determined that, by reason of the character of the farm with respect to which the dwelling is to be constructed and the manner of its operation, the farmer is likely successfully to carry out the undertakings required of him under his purchase agreement or lease.

An authority shall have power to sell or rent dwellings outside of cities and to make or accept such conveyances or leases, including such covenants regarding the land and dwellings described therein, which shall run with the land, if the authority so stipulates, as it deems necessary to carry out the rural housing purposes of this chapter.

Until a purchaser makes full payment for a dwelling which is constructed by an authority on a farm, such dwelling shall continue to be the property of the authority regardless of the title to the land on which it is constructed, and such dwelling shall be exempt from taxation in the same manner as other property of the authority. Any document making land available for use by an authority shall be admitted to record, and accordingly constitute notice, in the same manner as a deed or other instrument relating to real estate.

When an authority provides a dwelling on a farm hereunder, the owner of the farm living in the dwelling under a lease or purchase agreement shall be entitled to receive the same homestead exemption as if he had title to the dwelling.

Sec. 14. Carrying out redevelopment projects. The authority may make land in a redevelopment project available for use by private enterprise or public agencies in accordance with the redevelopment plan. Such land may be made available at its use value, which represents the value, whether expressed in terms of rental or capital price, at which the authority determines such land should be made available in order that it may be developed or redeveloped for the purposes specified in such plan.

To assure that land acquired in a redevelopment project is used in accordance with the redevelopment plan, an authority, upon the sale or lease of such land, shall obligate purchase s or lessees:

- I. To use the land for the purpose designated in the redevelopment plan;
- II. To begin the building of their improvements within a period of time which the authority fixes as reasonable;
- III. To comply with such other conditions as are necessary to carry out the purposes of this chapter.

Any such obligations by the purchaser shall be covenants and conditions running with the land where the authority so stipulates.

Sec. 15. Cooperation between authorities. Any 2 or more authorities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects located within the area of operation of any one or more of said authorities.

Sec. 16. 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 that any property which the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if such leased property were owned by such private individual or corporation. In lieu of taxes on its property an authority may agree to make such payments to the city or county, the state or any political subdivision thereof as it finds consistent with the maintenance of the low-rent character of housing projects or the achievement of the purposes of this chapter.

Sec. 17. Planning, zoning and building laws. All 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 project is situated. In the planning and location of any project, an authority shall conform to any redevelopment plan, as herein defined, for the area in which the project is located.

Sec. 18. 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: exclusively from the income and revenues of the project financed with the proceeds of such bonds; exclusively from the income and revenues of certain designated projects whether or not they are financed in whole or in part with the proceeds of such bonds; or from its revenues generally. Any such bonds may be additionally secured by a pledge of any grant or contributions from the federal government or other source, or a pledge of any income or revenues of the authority, or a mortgage of any project, projects or other property of the authority.

Neither the commissioners 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 or statutory debt limitation or restriction. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes.

Sec. 19. 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 year, be in such denomination 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.

The bonds may be sold at public or private sale at not less than par.

In case any of the commissioners or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter 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 project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this chapter.

Sec. 20. 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:

I. 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;

II. To mortgage all or any part of its real or personal property, then owned or thereafter acquired;

III. 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 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;

IV. 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 covenant for the redemption of the bonds and to provide the terms and conditions thereof;

V. To covenant, subject to the limitations contained in this chapter, 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;

VI. 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;

VII. To covenant as to the use, maintenance and replacement of any or all of its real or personal property, the insurance to be carried thereon and the use and disposition of insurance moneys;

VIII. 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;

IX. To vest in any obligees of the authority the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in an obligee or obligees holding a specified amount in bonds the right, in the event of a default by said authority, to take possession of and use, operate and manage any project or any part thereof or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the authority with such obligees; to provide for the powers and duties of such obligees and to limit the liabilities thereof; and to provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds;

X. To exercise all or any part or combination of the powers herein granted; to make such covenants, other than and in addition to the covenants herein expressly authorized, 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. 21. Remedies of an obligee. An obligee of an authority shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee:

I. By mandamus, suit, action or proceeding at law or in equity to compel said authority and the commissioners, 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 the fulfillment of all duties imposed upon said authority by this chapter.

II. 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. 22. 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, 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:

I. To cause possession of any project or any part thereof to be surrendered to any such obligee;

II. To obtain the appointment of a receiver of any 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 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.

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

Sec. 23. Exemption of property from execution sale. All real property of an authority shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any 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 or other security 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 or the right of the federal government to pursue any remedies conferred upon it pursuant to the provisions of this chapter.

Sec. 24. Aid from federal government. In addition to the powers conferred upon an authority by other provisions of this chapter, 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 project within its area of operation, to take over or lease or manage any 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. In any contract with the federal government for annual contributions to the authority, the authority may obligate itself, which obligation

shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other laws, to convey to the federal government the project to which such contract relates, upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; such contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the project in accordance with the terms of such contract: provided, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults by reason of which it shall have acquired the project have been cured and that the project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the authority the project as then constituted. It is the purpose and intent of this chapter 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 project by such authority.

Sec. 25. Advisory board. For the purpose of coordinating its activities and undertakings under the provisions of this chapter with the needs and undertakings of other local organizations and groups, an authority may establish an advisory board consisting of the chairman of the authority, who shall be chairman of the advisory board, and of sufficient members to represent, so far as practicable: the general public and consumers of housing; general business interests; real estate, building and home financing interests; labor; any official planning body in the locality; and church and welfare groups. The members of the advisory board shall be appointed by the chairman of the authority.

Sec. 26. 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 the provisions of this chapter 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 48 of the revised statutes 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 provisions 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. 27. 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 chapter.

Sec. 28. Housing bonds legal investments and security. The state and all public officers, municipal corporations, political subdivisions, and public bodies, all banks, bankers, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations and other persons carrying on a banking or insurance business, and all executors, administrators, guardians, trustees and other 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 a housing authority created by or pursuant to this housing and redevelopment law of this state or issued by any public housing authority or agency in the United States, when such bonds or other obligations are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof, and such bonds and other obligations shall be authorized security for all public deposits and shall be fully negotiable in this state; it being the purpose of this chapter to authorize any of the foregoing 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 chapter shall be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities. The provisions of this chapter shall apply notwithstanding any restrictions on investments contained in other laws.

Sec. 29. Cooperation in undertaking projects. For the purpose of aiding and cooperating in the planning, undertaking, construction or operation of housing and redevelopment projects of housing authorities 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:

I. Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to a housing authority;

II. 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 such projects;

III. 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.

IV. Approve, through its governing body or through an agency designated by it for the purpose, redevelopment plans as defined in the housing and redevelopment law; plan or replan, zone or rezone parks of such state public body; make exceptions from building regulations and ordinances; in the case of a city or town, make changes in its map;

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

VI. Enter into agreements with respect to the exercise by such state public body of its powers relating to the repair, closing or demolition of unsafe, insanitary or unfit buildings;

VII. 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, as the holder of such bonds or other obligation exercise the rights connected therewith;

VIII. Do any and all things, necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of such projects;

IX. Incur the entire expense of any public improvements made by such state public body in exercising the powers granted in this chapter;

X. 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 chapter. 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, notwithstanding any other laws to the contrary.

Sec. 30. Agreements as to payments by housing authority. In connection with any project of a housing authority located wholly or partly within the area in which any state public body is authorized to act, any state public body may agree with the housing authority with respect to the payment by the housing authority of such sums in lieu of taxes for any year or period of years as are determined by the authority to be consistent with

the maintenance of the low-rent character of housing projects or the achievement of the purposes of this housing and redevelopment law.

Sec. 31. Advance to housing authority. Any city or county included in the area of operation of a housing authority shall have the power from time to time to lend or donate money to such authority. When such a loan is made to a housing authority to aid its initial organization or its planning and preparation for projects, the loan may be made upon the condition that the housing authority involved shall repay the loan out of any money which becomes available to it for the construction of the projects involved.

Sec. 32. Chapter controlling. Insofar as the provisions of this chapter are inconsistent with the provisions of any other law, the provisions of this chapter shall be controlling.'