

# MAINE STATE LEGISLATURE

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

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## Legislative Document

No. 106

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H. P. 68

House of Representatives, January 21, 1959.

Referred to Committee on Judiciary. Sent up for concurrence and 1000 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Miller of Portland.

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## STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-NINE

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### AN ACT to Revise the Maine Housing Authorities Act.

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

**Sec. 1. R. S., c. 93, repealed.** Chapter 93 of the Revised Statutes relating to the Maine Housing Authorities, as amended, is repealed.

**Sec. 2. R. S., c. 93-A, additional.** The Revised Statutes are amended by adding a new chapter 93-A, to read as follows:

#### 'Chapter 93-A.

#### Maine Housing Authorities.

**Sec. 1. Title.** This chapter may be referred to as the "Maine Housing Authorities Act."

**Sec. 2. Declaration of necessity.** It is declared that there exists 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 such 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 necessitate 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 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 decent 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, re-planning 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 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 enacted by this chapter is 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" of an authority of a town shall include all the town for which it is created, and the area of operation of a housing authority of a city shall include the city and the area within 10 miles outside the territorial boundaries thereof. The area of operation of the housing authority of a city shall not include any area which lies within the territorial boundaries of any other city nor shall it include any portion of a town for which a housing authority has been organized, without the consent by resolution of the selectmen of the town or the governing body of the other city. No authority shall operate in any area in which an authority already established is operating without the consent by resolution of the authority already operating therein.

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

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

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

"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 the city council or other legislative body charged with governing a city.

“Major disaster” shall mean any flood, drought, fire, hurricane, earthquake, storm or other catastrophe which, in the determination of the governing body, is of sufficient severity and magnitude to warrant the use of available resources of the Federal, State and local governments to alleviate the damage, hardship or suffering caused thereby.

“Mayor” shall mean the mayor of the city or if it has a manager, then the manager of the city, or if the city has no mayor or manager, the officer charged with the duties customarily imposed on the executive head thereof.

“Municipality” shall mean city or town as the case may be.

“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 engaged in national defense activities” shall mean persons in the armed forces of the United States; employees of the Department of Defense; and workers engaged or to be engaged in activities connected with national defense. The term also includes the families of the persons, employees and workers who reside with them.

“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.

“Project” or “housing project” shall mean any work or undertaking:

I. To demolish, clear or remove buildings from any slum area; or

II. To provide decent, safe and sanitary 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

III. To accomplish a combination of the foregoing.

The terms “project” or “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, and the term shall include all other real and personal property and all tangible or intangible assets held or used in connection with the housing project.

“Selectmen” shall mean the board of selectmen of the town or, if the town has no selectmen, the officers charged with the duties customarily imposed on the board of selectmen thereof.

“State public body” shall mean any city, town, district or other political subdivision of the State.

Sec. 4. Creation of city and town authorities. In each city and in each town there is created a public body corporate and politic to be known as the "Housing Authority" of the city or town. Such authority shall not transact any business or exercise its powers until or unless the governing body of the city or the annual meeting of the town, as the case may be, by proper resolution shall declare that there is need for an authority to function in such city or town. 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 annual meeting of the town 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 of the city or the annual meeting of the town shall give consideration as to the need for an authority on its own motion or upon the filing with the mayor or the selectmen, as the case may be, of a petition signed by 25 qualified voters of the city or town, as the case may be, asserting that there is need for an authority to function in such city or town and requesting that its governing body or the annual meeting of the town so declare. The governing body of the city or the annual meeting of the town shall adopt a resolution declaring that there is need for an authority in the city or town, as the case may be, if it shall find that insanitary or unsafe inhabited dwelling accommodations or blighted areas exist in such city or town, or that there is a shortage of safe or sanitary dwelling accommodations in such city or town available to persons of low income at rentals or prices they can afford.

Upon the adoption of a resolution as by the governing body of a city or the annual meeting of a town, the mayor of the city or the selectmen of the town, as the case may be, shall proceed to appoint the commissioners of the authority.

Sec. 5. Appointment, qualifications, tenure and meetings of commissioners. Each authority shall have 5 commissioners appointed, in the case of a city, by the mayor with the advice and consent of the governing body of the city, and appointed, in the case of a town, by the selectmen. No commissioner shall be appointed until the authority is authorized to function as provided in section 4. The commissioners shall be appointed 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 in the same manner as the original appointment.

Each authority shall elect a chairman and vice-chairman from among the commissioners. An authority may employ a secretary, who shall be executive director, and technical experts and such other officers, agents and employees as it may require, and shall determine their qualifications, duties and compensation. An authority may employ its own counsel and legal staff. It may delegate to its agents or employees such powers or duties as it may deem proper.

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 re-appointment 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 an authority shall be vested in the commissioners thereof in office from time to time. Three 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, notwithstanding the existence of any vacancies. Action may be taken by the authority upon a vote of a majority of the commissioners present, unless in any case its by-laws 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 of any persons as commissioners of the authority who reside within its boundaries or area, and who are otherwise eligible for such appointments under this chapter.

Sec. 6. Interested commissioners, officers or employees. During his tenure and for one year thereafter, no commissioner, officer or employee of the authority shall voluntarily acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, or in any contract or proposed contract relating to any project. If any such commissioner, officer or employee involuntarily acquires any such interest, or voluntarily or involuntarily acquired any such interest prior to appointment or employment as commissioner, officer or employee, then, in any such event, the commissioner, officer or employee shall immediately disclose his interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority and the commissioner, officer or employee shall not participate in any action by the authority relating to the property or contract in which he has any such interest. Any violation of the foregoing provisions of this section shall constitute misconduct in office. This section shall not be applicable to the acquisition of any interest in notes or bonds of the authority issued in connection with any project, or to the execution of agreements by banking institutions for the deposit or handling of funds in connection with a project or to act as trustee under any trust indenture, or to utility services, the rates for which are fixed or controlled by a governmental agency.

Sec. 7. Removal of commissioners. For inefficiency or neglect of duty or misconduct in office, a commissioner may be removed after a hearing by the governing body of the city or the selectmen of the town, as the case may be, provided he shall have been given a copy of the charges at least 10 days prior to the hearing and had an opportunity to be heard in person or by counsel. In the event of the removal of a commissioner, 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 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 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, acquire, lease and operate housing projects and to provide for the construction, reconstruction, improvement, extension, alteration or repair of any housing project or any part thereof.

III. To undertake and carry out studies and analyses of the housing needs within its area 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.

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, a housing project or the occupants thereof; and, notwithstanding anything to the contrary contained in this chapter or in any other provision of law, to agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and 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 salaries or 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.

V. To lease or rent any dwellings, accommodations, lands, buildings, structures or facilities embraced in any housing project and, subject to the limitations contained in this chapter, 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 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 of 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 canceled.

VII. Within its area of operation: To determine where slum areas exist or where there is a shortage of 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 or town, 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 recommendations 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 granted.

Sec. 9. Operation of housing not for profit. It is 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 municipality. 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:

I. To pay, as the sums become due, the principal and interest on the bonds of the authority;

II. 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;

III. 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;

IV. To make such payments in lieu of taxes as it determines are consistent with the maintenance of the low-rent character of projects;



V. The property of an authority is declared to be public property used for essential public and governmental purposes, and such property shall be exempt from all taxes and from betterments and special assessments of the city, the town, the county, the State or any political subdivision thereof. In lieu of taxes on its property an authority may agree to make such payments to the city, the town, the 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. 10. Housing rentals and tenant admissions; veterans preference. 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; and

III. An authority in its operations within a city or town shall not accept any person or persons as tenants in any housing project if the person or persons who occupy the dwelling accommodations have an aggregate annual net income, less an exemption of \$100 for each minor member of the family, in excess of 5 times the annual rental of the quarters to be furnished such person or persons; 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, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, a housing authority shall extend the following preferences: First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans Administration to be service connected, and 2nd preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans Administration to be service connected, and 3rd preference shall be given to families of other veterans and servicemen; and, 2nd, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans Administration to be service connected and 2nd preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans Administration to be service connected.

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, or at any time on or after April 6, 1917, and prior to November 11, 1918, or at any time on or after June 27, 1950 and prior to February 1, 1955, and who shall have been discharged or released therefrom under conditions other than dishonorable. 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, 1940 and prior to July 26, 1947, or at any time on or after April 6, 1917 and prior to November 11, 1918, or at any time on or after June 27, 1950 and prior to February 1, 1955. Notwithstanding any provisions of this section, an authority may agree to conditions as to tenant eligibility or preference required by the Federal Government pursuant to federal law in any contract for financial assistance with the authority.

Nothing contained in this or section 9 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 project or cause the appointment of a receiver thereof, free from all the restrictions imposed by this or section 9.

Sec. 11. Dwellings for disaster victims and defense workers. Notwithstanding the provisions of this or any other chapter relating to rentals of, preferences or eligibility for admission to, or occupancy in housing projects, during the period when an authority determines that there is an acute need in its area of operation for housing to assure the availability of dwellings for persons engaged in national defense activities or for victims of a major disaster, an authority may undertake the development and administration of housing projects for the Federal Government, and dwellings in any housing project under the jurisdiction of the authority may be made available to persons engaged in national defense activities or to victims of a major disaster, as the case may be. An authority is authorized to contract with the Federal Government or the State or a state public body for advance payment or reimbursement for the furnishing of housing to victims of a major disaster, including the furnishing of the housing free of charge to needy disaster victims during any period covered by a determination of acute need by the authority as herein provided.

Sec. 12. 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 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. 13. 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 larger or long-range program for the development of the area in which the project is located.

Sec. 14. 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 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.

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.

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.

The bonds may be sold at public or private sale at not less than par. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.

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 municipality, the State or any political subdivision thereof and neither the municipality 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.

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 shall be deemed to have been issued for such purpose, and such project shall be deemed to have been planned, located and carried out in accordance with the purposes and provisions of this chapter.

Sec. 15. Provisions of bonds, trust indentures and mortgages. In order to secure the payment of its bonds, 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, including any grant or contributions from the Federal Government or other source, 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 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 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;

VI. 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;

VII. To exercise all or any part or combination of the powers granted; to make such other covenants and to do such acts and things as may be necessary 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.

Sec. 16. 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. 17. 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 the authority or any part thereof and of the rents and profits therefrom;

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

Sec. 18. 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. 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. 19. 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 those 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, as defined in such contract, 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 the contract requires that, as soon as practicable after the Federal Government is satisfied that all defaults with respect to 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. No authority shall enter into any con-

tract for loans, grants, contributions or other financial assistance with the Federal Government for any project unless or until the governing body of its city or the annual meeting of its town, as the case may be, shall, by resolution duly adopted, have approved its entering into such contract. To accomplish this purpose an authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the Federal Government any conditions, which the Federal Government may attach to its financial aid of a project, not inconsistent with the purposes of this chapter.

Sec. 20. 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 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 chapter 52, sections 11 to 22; 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.

Sec. 21. 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, commercial banks and institutions, building and loan associations, savings and loan associations, 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 chapter or issued by any public housing authority or agency in the United States, any of its territories, the District of Columbia, Puerto Rico, Guam or the Virgin Islands, when such bonds or other obligations are secured by a pledge of annual contributions or other financial assistance to be paid by the Federal Government or when such bonds or other obligations are secured by an agreement between the United States Government or any agency thereof and the public housing authority or agency in which the United States Government or any agency thereof agrees to lend to the public housing authority or agency, prior to the maturity of the bonds or other obligations, moneys in an amount which, together with any other moneys irrevocably committed to the payment of interest on the bonds or other obligations, will suffice to pay the principal of the bonds or other obligations with interest to maturity, which moneys under the terms of the agreement are required to be used for that purpose, 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 section 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. 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. The provisions of this section shall apply notwithstanding any restrictions on investments contained in other laws.

**Sec. 22. Cooperation in undertaking projects.** 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 any project;

III. Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places, in or adjacent to any project;

IV. Plan or replan, zone or rezone any part of such state public body; make exceptions from building regulations and ordinances; any city may change 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. Agree with the housing authority with respect to the payment by the housing authority of such sums in lieu of taxes 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 chapter;

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

IX. 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. If at any time title to, or possession of, any project is held by any public body or governmental agency authorized by law to engage in the development or administration of low-rent housing or slum clearance projects, including any agency or instrumentality of the United States of America, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency. Any sale, conveyance, lease or agreement provided for in this section may be made by a state public body without public notice, advertisement or public bidding, notwithstanding any other laws to the contrary.

**Sec. 23. Advances to housing authority.** The municipality for which a housing authority is created 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 shall repay the loan out of any money which becomes available to it for the construction of the projects involved.'**

**Sec. 2. Ratification and validation.** The creation and establishment of housing authorities pursuant to, or purporting to be pursuant to, the provisions of the Maine Housing Authorities Act, chapter 93 of the Revised Statutes as enacted by chapter 441 of public laws of 1949, together with all proceedings, acts and things undertaken, performed or done with reference thereto, including the appointment of commissioners, officers and employees, are hereby validated, ratified, confirmed, approved and declared legal in all respects, notwithstanding any want of statutory authority or defect irregularity in such acts or proceedings. Said housing authorities are hereby declared to have been and to be legally constituted and to be bodies corporate and politic with all the powers, rights and duties set forth in said Maine Housing Authorities Act.

**Sec. 3. Contracts Validated.** All contracts and any amendments thereto, agreements, obligations and undertakings of housing authorities heretofore entered into relating to financing or aiding in the planning, development, construction, maintenance or operation of any housing project or projects or to obtaining aid therefor from the Federal Government, including, without limiting the generality of the foregoing, loan and annual contributions, contracts and leases with the Federal Government, agreements with municipalities or other public bodies, including agreements which are pledged or authorized to be pledged for the protection of the holders of any notes or bonds issued by housing authorities or which are otherwise made a part of the contracts with such holders of notes or bonds relating to cooperation, contributions, grants or other participation in aid of housing projects, payments, if any, in lieu of taxes, furnishing of municipal services and facilities, and the eliminaton of unsafe and insanitary dwellings, and contracts for the construction or operation of housing projects together with all proceedings, acts and things heretofore undertaken, performed or done with reference thereto, and hereby validated, ratified, confirmed, approved and declared legal in all respects, notwithstanding any defect or irregularity therein or any want of statutory authority.

**Sec. 4. Notes and bonds validated.** All proceedings, acts and things heretofore undertaken, performed or done in or for the authorization, issuance, sale, execution and delivery of notes and bonds by housing authorities for the purpose of financing or aiding in the undertaking of a housing project or projects and all notes and bonds heretofore issued by housing authorities are hereby validated, ratified, confirmed, approved and declared legal in all respects, notwithstanding any defect or irregularity therein or any want of statutory authority.