

No. 265

AN ACT

To promote public health, safety, morals, and welfare by declaring the necessity of creating public bodies, corporate and politic, to be known as housing authorities to engage in slum clearance, and to undertake projects, to provide dwelling accommodations for persons of low income; providing for the organization of such housing authorities; defining their powers and duties; providing for the exercise of such powers, including the acquisition of property by purchase, gift or eminent domain, the renting and selling of property, and including borrowing money, issuing bonds, and other obligations, and giving security therefor; prescribing the remedies of obligees of housing authorities; authorizing housing authorities to enter into agreements, including agreements with the United States, the Commonwealth, and political subdivisions and municipalities thereof; defining the application of zoning, sanitary, and building laws and regulations to projects built or maintained by such housing authorities; exempting the property and securities of such housing authorities from taxation; and imposing duties and conferring powers upon the State Board of Housing, and certain other State officers and departments.

Be it enacted, &c., As follows:

Section 1. Short Title.—This act may be referred to as the "Housing Authorities Law." Short title.

Section 2. Findings and Declaration of Policy.—It has been determined by the General Assembly of this Commonwealth, and it is hereby declared as a matter of legislative finding that— Policy of General Assembly stated.

(a) There exist in urban and rural communities, within the various counties of this Commonwealth, numerous slums and unsafe, unsanitary, inadequate or overcrowded dwellings, which conditions are accompanied and aggravated by an acute shortage of decent, safe, and sanitary dwellings within the financial reach of persons of low income, such conditions arising from overcrowding, dilapidation, faulty construction, obsolete buildings, lack of proper light, air, and sanitary facilities.

(b) The existence of any of the above enumerated conditions is prejudicial to the welfare of the people of this Commonwealth because such conditions—(1) encourage the spread of disease and impair public health and morals; (2) increase the hazards of fires, accidents, and other calamities which result in loss of life and property; (3) subject the moral standards of the people to bad influences which have permanent deleterious social effects; (4) increase the violation of the criminal laws of the Commonwealth so as to jeopardize the safety and well-being of the inhabitants thereof; (5) necessitate the expenditure of vast sums of public money, both by the Commonwealth and local governmental bodies, for the purpose of crime prevention, punishment, and correction, fire and accident prevention, public health service and relief.

(c) The failure to remedy the acute dwelling shortage is directly related to the stagnation of business activity in the construction, durable goods, and allied industries which are conducted within this Commonwealth, and the stagnation of which has produced serious and prolonged unemployment, with all its injurious effects upon the welfare of the inhabitants of this Commonwealth.

(d) Private industry alone has been and now is unable to overcome the obstacles which have prevented and are now preventing it from clearing slum areas and relieving the shortage of decent, safe, and sanitary dwellings for persons of low income, and the construction, pursuant to this act, of housing projects for persons of low income would therefore not be competitive with private enterprise.

Therefore, it is hereby declared to be the policy of the Commonwealth of Pennsylvania to promote the health and welfare of the inhabitants thereof by the creation of corporate and politic bodies to be known as housing authorities. The public purposes for which such authorities shall operate shall be—(1) the clearance, replanning, and reconstruction of the areas in which slums exist; (2) the providing of safe and sanitary dwelling accommodations for persons of low income, so as to prevent recurrence of the economically and socially disastrous conditions hereinbefore described; and (3) the accomplishment of a combination of the foregoing. Such purposes are hereby declared to be public uses for which public money may be spent, and private property acquired by the exercise of the power of eminent domain.

Definitions.

Section 3. Definitions.—The following words, terms, and phrases, where used or referred to in this act, shall have the meanings ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(a) "Authority" or "Housing Authority." A public body and a body corporate and politic created and organized, in accordance with the provisions of this act, for the purposes, with the powers, and subject to the restrictions hereinafter set forth.

(b) "Bonds." Any bonds, interim certificates, notes, debentures or other obligations of the Authority issued pursuant to this act.

(c) "City." Any city of the first, second, second class A, or third class of thirty thousand population or over. "The city" shall mean the particular city for which a particular housing authority is created.

(d) "Clerk." The clerk of the city or the chief clerk of the county, as the case may be, or the officer charged with the duties customarily imposed on such

clerk. In cities of the first class, clerk shall mean the clerk of council.

(e) "County." Any county of this Commonwealth other than a county of the first class. "The county" shall mean the particular county for which a particular housing authority is created.

(f) "Federal Government." The United States of America, the Federal Emergency Administration of Public Works, or any other agency or instrumentality, corporate or otherwise, of the United States of America.

(g) "Field of Operation." The area within the territorial boundaries of the city or county for which the particular housing authority is created: Provided, however, That the field of operation of any county authority shall not include a city having a population of thirty thousand inhabitants or over.

(h) "Governing Body." In the case of a city, the city council or other legislative body thereof, and in the case of a county, the board of county commissioners or other legislative body thereof.

(i) "Government." Includes the State and Federal Governments, or any subdivision, agency or instrumentality, corporate or otherwise, or either of them.

(j) "Housing Project" or "Project." Any work or undertaking—(1) To demolish, clear or remove buildings from any slum area, or to adapt such area to public purposes, including parks, playgrounds, swimming pools or other recreational or community purposes; or (2) to provide decent, safe, and sanitary urban or rural dwellings, apartments or other living accommodations for persons of low income, such work or undertaking may include buildings, land, equipment, facilities, and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water services, parks, site preparation, gardening, administrative, community, health, recreational, educational, welfare or other purposes; or (3) to accomplish a combination of the foregoing. The term "Housing Project" or "Project" 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 existing improvements, and all other work in connection therewith.

(k) "Mayor." The mayor of the city, or the officer thereof charged with the duties customarily imposed on the mayor or executive head of the city.

(l) "Member." One of the members of an Authority appointed in accordance with the provisions of this act.

(m) "Municipality." Any county, city, borough or township.

(n) "Obligee of the Authority" or "Obligee." Any bondholder, trustee or trustees for any bondholders, any lessor demising property to the authority used in connection with a housing 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.

(o) "Persons of Low Income." Persons or families whose income shall not exceed the amount specified in section thirteen.

(p) "Real Property." Lands, lands under water, structures, and any and all easements, franchises, and incorporeal hereditaments, and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage, or otherwise.

(q) "Slums." Any area in which there is a predominance of structures which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health, and morals.

The singular shall include the plural, and the masculine the feminine and neuter.

Local housing
authorities
created.

Section 4. Formation of Housing Authorities.—(a) There are hereby created separate and distinct bodies, corporate and politic, one for each city (as herein defined), and one for each of the counties of the Commonwealth. Each such Authority may be known as the housing authority of the city or the county, as the case may be, but shall in no way be deemed to be an instrumentality of such city or county, or engaged in the performance of a municipal function. Each such Authority shall transact no business or otherwise become operative until and unless a finding is made, as hereinafter provided in this section.

(b) The governing body of any city or county may find and declare by proper resolution that there is need for an Authority to function within the territorial limits of said city or county, as the case may be, in such event, the clerk shall issue a certificate reciting the adoption of such resolution. This procedure may be employed at any time after the passage of this act.

(c) If the governing body of any city or county fails to adopt such a resolution and have such a certificate issued within ninety (90) days from the date of enactment of this act, any twenty-five (25) citizens and taxpayers, resident in such city or county, may submit, over their signatures, a petition to the Governor of the Commonwealth, setting forth that, in their estimation, there is need that an Authority shall function within said city or county, and the Governor, after determining, as hereinafter provided, that there is such need, shall issue a certificate so declaring.

(d) The governing body of any city or county or the Governor, as the case may be, shall declare that there is need for a housing authority to function within such city or county if and only if the said governing body or the Governor shall find, either that—(1) unsanitary or unsafe dwelling accommodations exist in said city or county; or that (2) there is a lack of sufficient, safe, and sanitary dwelling accommodations in said city or county available to persons of low income, and that this results in any of the conditions described in section two (b) and (c) of this act. In determining whether dwelling accommodations are unsafe or unsanitary, said governing body or the Governor, as the case may be, shall take into consideration the degree of overcrowding, the percentage of land coverage, the light, air space, and access available to the inhabitants of such dwelling accommodations, the size and arrangement of the rooms, the sanitary facilities, and the extent to which conditions exist in such buildings, which endanger life, health or property by fire, disease or other causes.

(e) The governing body or the Governor, as the case may be, shall cause the aforesaid certificate to be filed with the Department of State and a duplicate thereof with the State Board of Housing. Whenever the Governor shall issue a certificate, in the manner hereinbefore prescribed, declaring the need for an Authority to operate within any city or county, he shall notify the governing body of such city or county of such action.

(f) In any suit, action or proceeding involving the validity or enforcement of, or relating to, any contract of the Authority, the Authority shall, upon proof of the issuance of the aforesaid certificate by the governing body or the Governor, as the case may be, be conclusively deemed to have been established in accordance with the provisions of this act. A copy of such certificate duly certified by the Department of State shall be admissible in evidence in any suit, action or proceedings, and shall be conclusive proof of the filing and contents of the certificate, and that the Authority has been properly established.

Section 5. Appointment of Members of an Authority.—(a) The board of county commissioners for any county upon issuing a certificate declaring the need for an Authority to operate in such county or upon receiving notice of the issuance of such certificate by the Governor, shall appoint five citizens, residents of the county, to be members of the housing authority which is to operate within such county, except that in counties of the third class, the governing body of the county shall appoint two members of the housing authority of such county, and the Governor shall appoint three members of the housing authority of such county.

Appointment of
members.

Such members shall be citizens residing within the county for which the Authority is created.

(b) The governing body of any city upon issuing a certificate declaring the need for an Authority to operate in such city or upon receiving notice of the issuance of such certificate by the Governor, shall promptly notify the mayor of such certification. Upon receiving such notice, the mayor shall appoint five citizens, residents of the city, to be members of the housing authority of such city—(1) that in cities of the first class, the mayor shall appoint two members, the city controller shall appoint two members, and the four members, thus appointed, shall select a fifth member of such Authority; (2) that in cities of the third class, the mayor shall appoint two persons to be members of the housing authority of such city, and the Governor shall appoint three persons of the housing authority of such city, such members shall be citizens residing within the city for which the Authority is created.

Qualifications.

Section 6. Qualifications, Tenure and Compensation of Members of an Authority.—No more than two persons holding any other paid public office shall be members of the same housing authority at the same time. The members who are first appointed shall serve for terms of one, two, three, four, and five years, respectively, from the date of their appointment, as shall be specified at the time of their appointment. Thereafter the term of office shall be five years. A member shall hold office until his successor has been appointed. Vacancies for unexpired terms shall be promptly filled by the appointing power. A member shall receive no compensation for his services, but he shall be entitled to the necessary expenses, including travelling expenses incurred in the discharge of his duties.

Terms.

Vacancies.

Chairman and vice-chairman.

Employes.

Section 7. Organization of an Authority.—The members of an Authority shall select from among themselves a chairman and a vice-chairman. The Authority may employ a secretary, such technical experts, and such other officers, agents, and employes, permanent or temporary, as it may require, and may determine the qualifications of such persons. Three members of an Authority shall constitute a quorum for its meetings. Any Authority may employ its own counsel and legal staff. Members of an Authority shall not be liable personally on the bonds or other obligations of the Authority, and the rights of creditors shall be solely against such Authority. An Authority may delegate to one or more of its agents or employes such of its powers as it shall deem necessary to carry out the purposes of this act, subject always to the supervision and control of the Authority.

No member or employe to acquire any interest in any project.

Section 8. Interested Members or Employes.—No member or employe of an Authority shall acquire any

interest, direct or indirect, in any housing project or in any property included or planned to be included in any project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project. If any member or employe of an Authority owns or controls an interest, direct or indirect, in any property included or planned to be included in any housing project of the Authority, or has any such interest in any contract for material or services to be furnished or used in connection with any housing project, he shall immediately disclose the same in writing to the Authority, and such disclosure shall be entered in writing upon the minute books of the Authority. Failure so to disclose such interest shall constitute misconduct in office. Any such undisclosed profit, which results to any member or employe of an Authority, shall render such member or employe liable to surcharge in favor of the Authority to the full amount of such profit. Such profit need not be realized in order to fall within the meaning of this section. Proceedings to surcharge any member or employe may be instituted by an Authority or by the State Board of Housing on its behalf with or without its consent.

Section 9. Filing of Charges Against Members or Employes.—Any obligee of an Authority may file with the appointing power or with the State Board of Housing written charges that the Authority, or any member or employe of an Authority, is violating section eight of this act, or any other law of the Commonwealth.

Filing of charges
for violation of
section 8.

Section 10. Powers of an Authority.—An Authority shall constitute a public body, corporate and politic, exercising public powers of the Commonwealth as an agency thereof, which powers shall include all powers necessary or appropriate to carry out and effectuate the purpose and provisions of this act, including the following powers, in addition to others herein granted:

Powers
enumerated.

(a) To investigate into living, dwelling, and housing conditions, and into the means and methods of improving such conditions.

(b) To determine where unsafe or unsanitary dwelling or housing conditions exist, or where there is a shortage of safe and sanitary dwelling accommodations for persons of low income.

(c) To study and make recommendations concerning the plan of any city or municipality located within the field of operation of the Authority in relation to the problem of clearing, replanning, and reconstructing areas in which unsafe or unsanitary dwelling or housing conditions exist, and the problem of providing dwelling accommodations for persons of low income.

(d) To cooperate with any city, county, regional, Federal or other agency.

(e) To prepare, carry out, acquire, lease, and operate housing projects, to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, or any part thereof.

(f) To take over by purchase, lease, or otherwise, any housing project located within its field of operation undertaken by any government.

(g) To cooperate with and act as agent of the Federal Government for the public purposes set out in this act in connection with the acquisition, construction, operation or management of any housing project, or part thereof.

(h) To arrange with any city or other municipality located, in whole or in part, within the Authority's field of operation, or with the Federal or State Government for the furnishing, planning, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities, or for the acquisition by such city, municipality or the Federal or State Government of property options or property rights, or for the furnishing of property or services in connection with a project.

(i) To clear areas of unsafe or unsanitary housing, and to provide for the use of cleared sites for community facilities and for any other public purpose authorized by this act.

(j) To arrange with the Commonwealth, its subdivisions and agencies, and any county, city or other municipality of the State, to the extent that it is within the scope of each of their respective functions—(1) to cause the services customarily provided by each of them to be rendered for the benefit of such housing authority, or the occupants of any housing projects of the Authority; and (2) to provide and maintain parks, recreational centers, schools, sewerage, transportation, water, and other municipal facilities adjacent to, or in connection with, housing projects; and (3) to plan, replan, zone or rezone any part of the municipality in connection with any housing project of the Authority.

(k) To lease or rent any of the dwellings or other accommodations or any of the lands, buildings, structures or facilities embraced in any housing project, and (subject to the limitations contained in this act) to establish and revise the rents or charges therefor.

(l) To enter upon any building or property in order to make surveys or soundings.

(m) To purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, or any interest therein, from any person, firm, corporation, municipality or government.

(n) To acquire by eminent domain any real property, including improvements and fixtures, for the pub-

lic purposes set forth in this act, in the manner hereinafter provided.

(o) To sell, exchange, transfer or assign any real or personal property, or interest therein, to any person, firm, corporation, public or private, when the Authority determines that such property is not needed for the purposes of this act.

(p) To own, hold clear, and improve real property.

(q) To insure or provide for the insurance of any property or operations of the Authority against any risks or hazards.

(r) To procure or agree to the procural of insurance or guarantees from the Federal Government of the payment of any debts, or parts thereof, incurred by said Authority, and to pay premiums in connection therewith.

(s) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement in such investments as may be lawful for executors, administrators, guardians, trustees, and other fiduciaries under any law of this Commonwealth.

(t) To sue and be sued.

(u) To adopt a seal and to alter the same at pleasure.

(v) To have perpetual succession.

(w) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the Authority.

(x) To make and from time to time to amend and repeal resolutions, rules, and regulations, not inconsistent with this act, in order better to carry into effect the powers of the Authority.

(y) To conduct examinations and investigations and to hear testimony and take proof, under oath or affirmation, at public or private hearings, on any matter material for its information.

(z) To issue subpoenas requiring the attendance of witnesses and the production of books and papers pertinent to any hearing before such Authority, or before one or more members of the Authority appointed by it to conduct such hearing.

(aa) To apply to any court, having territorial jurisdiction of the offense, to have punished for contempt any witness who refuses to obey a subpoena, or who refuses to be sworn or affirmed or to testify, or who is guilty of any contempt after summons to appear.

(bb) To authorize any member or members of such Authority to conduct hearings and to administer oaths, take affidavits, and issue subpoenas.

(cc) To make available to such agencies, boards or commissions as are charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or unsanitary structures

within the field of operation of such Authority, its findings and recommendations with regard to any building or property where there exist conditions dangerous to the public health, morals, safety or welfare.

Rules as to
awarding of con-
tracts and condi-
tions concerning
bonds concern-
ing enumerated.

Section 11. Awards of Contracts; Completion Bond; Additional Bond for Protection of Materialmen and Others.—

(a) Whenever the estimated cost of any construction, erection, installation, completion, alteration, repair of, or addition to, any project subject to the control of any Authority shall exceed five hundred (\$500) dollars, it shall be the duty of said Authority to have such work performed pursuant to a contract awarded to the lowest responsible bidder, after advertisement for bids. Every such contract shall contain a provision obligating the contractor to the prompt payment of all material furnished, labor supplied or performed, rental for equipment employed, and services rendered by public utilities in or in connection with the prosecution of the work, whether or not the said material, labor, equipment or service enter into and become component parts of the work or improvement contemplated. Such provision shall be deemed to be included for the benefit of every person, copartnership, association or corporation who, as subcontractor or otherwise, has furnished material, supplied or performed labor, rented equipment or services in or in connection with the prosecution of the work as aforesaid, and the inclusion thereof in any contract shall preclude the filing by any such person, copartnership, association or corporation of any mechanics' lien claim for such material, labor or rental of equipment.

(b) Whenever the estimated cost of any purchase of supplies, materials or equipment or the rental of any equipment, whether or not the same is to be used in connection with the construction, erection, installation, completion, alteration, repair of, or addition to, any project subject to the control of any Authority, shall exceed five hundred (\$500) dollars, it shall be the duty of such Authority to have such purchase or rental made pursuant to a contract awarded to the lowest responsible bidder, after advertisement for bids, such advertisement to be inserted in a newspaper of general circulation within the county in which the Authority operates.

(c) A housing authority shall require as a condition of the award of any contract, pursuant to subsection (a) or (b) of this section, that the contractor give to the Authority any bond (including bonds for the performance of the contract, and for the prompt payment by the contractor for material, supplies, labor, services and equipment) which are prescribed by law for contracts awarded by cities or counties, as the case may be, of the

same class as the city or county for which such Authority has been created.

(d) Notwithstanding anything to the contrary contained in this act or in any other provision of law, a housing authority may 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 which the Federal Government may have attached to its financial aid of the project.

(e) Every Authority awarding contracts or requiring the delivery of bonds pursuant to this section shall keep an exact copy of every contract awarded or bond delivered upon file at its principal office. Subject to regulations to be prescribed by the State Board of Housing for their safekeeping such copies shall be opened to public inspection.

Section 12. Operation of Authority Not for Profit.—It is hereby declared to be the policy of this Commonwealth that each housing authority shall manage and operate its housing projects in an efficient manner, so as to enable it to fix the rentals for dwellings at the lowest possible rates, consistent with providing decent, safe, and sanitary dwellings, and that no housing authority shall construct or operate any such project for profit. To this end an Authority shall fix rentals for dwellings in its projects at no higher rates than it shall find necessary, in order to produce revenues which, together with all other available moneys, revenues, income, and receipts of the Authority from whatever sources derived, will be sufficient—(a) to pay as the same become due the principal and interest on any bonds of the Authority; (b) to meet and provide for the cost of maintaining and operating of the projects (including the cost of any insurance) and the administrative expenses of the Authority; and (c) to create, during not less than the six years immediately succeeding its issuance of any bonds, a reserve sufficient to meet the largest principal interest payments which shall be due on such bonds in any one year thereafter, and to maintain such reserve; (d) to make such payments, if any, in lieu of taxes, as may be agreed upon pursuant to section twenty-three.

Projects not to be operated for profit.

Section 13. Establishment of Rentals and Selection of Tenants.—An Authority may rent or lease dwelling accommodations only to persons of low income and at rentals within their financial reach. It may rent or lease to a tenant a dwelling 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.

Authorities may rent dwelling.

It shall not accept any person as a tenant in any housing project if the person or persons, who would occupy the dwelling, have an aggregate annual income in excess of six times the annual rental of the quarters to be furnished such person or persons. In computing rental for the purpose of selecting tenants, there shall be included in the rental the average annual cost, as determined by the Authority, to the occupants of heat, water, electricity, gas, cooking range, and other necessary services or facilities, whether or not the charge for such services and facilities is in fact included in the rental. Every Authority shall file a schedule of its rental charges for dwelling accommodations with the State Board of Housing.

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

Section 14. Cooperation Between Authorities.—Any two or more authorities may cooperate in the exercise of any of the powers conferred in this act. For the purpose of financing, planning, constructing or operating a housing project or projects jointly, when such is deemed necessary to the effectuation of the purposes of this act, two or more authorities may set up a joint committee to have charge of such financing, planning, construction or operation. Each of the cooperating authorities shall appoint two of its own members to serve on such joint committee, and the State Board of Housing shall designate an additional member upon being notified by the authorities of their desire to cooperate in preparing and carrying on a project. The cooperating authorities shall draw up a satisfactory plan of cooperation which must be approved by the State Board of Housing prior to the commencement of any activity on such joint project.

May acquire property by eminent domain.

Section 15. Eminent Domain.—Title to any property acquired by an Authority through eminent domain shall be an absolute or fee simple title, unless a lesser title shall be designated in the eminent domain proceedings. The Authority may exercise the right of eminent domain in the manner provided by law for the exercise of such right by cities or counties, as the case may be, of the same class as the city or county in which such Authority is organized to operate.

Projects subject to local zoning and building laws.

Section 16. Planning, Zoning, and Building Laws.—Each housing project of an Authority shall be subject to the zoning, sanitary, and building laws, ordi-

nances or regulations applicable to the locality in which the project is situated. In the planning and location of any housing project, an Authority shall take into consideration the relationship of the project to any larger plan or long-range program for the development of the area in which the housing authority functions.

Section 17. Bonds of an Authority.—An Authority shall have power to issue bonds for any of its corporate purposes. An Authority may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable—(a) exclusively from the income and revenues of the housing project financed with the proceeds of such bonds, or with such proceeds together with a grant from the Federal Government in aid of such project; (b) exclusively from the income and revenues of certain designated housing projects, whether or not they were financed, in whole or in part, with the proceeds of such bonds; or (c) from its revenues generally. Any of such bonds may be additionally secured by a pledge of any revenues or a mortgage of any housing project, projects or other property of the Authority.

Bonds may be issued for corporate purposes.

Neither the members of an Authority nor any person executing the bonds shall be liable personally on any such bonds by reason of the issuance thereof. Such bonds or other obligations of an Authority shall not be a debt of any city, county, municipal subdivision or of the Commonwealth, and shall so state on their face, nor shall any city, county, municipal subdivision or the Commonwealth, nor any revenues or any property of any city, county, municipal subdivision or of the Commonwealth be liable therefor.

Members not liable personally.

Section 18. Form and Sale of Bonds.—The bonds of an Authority shall be authorized by its resolution, shall be issued in one or more series, and shall bear such date or dates, mature at such time or times, and bear interest at such rate or rates, not exceeding six per centum (6%) per annum, payable semiannually, be in such denominations, be in such form, either coupon or registered, 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, and carry such registration privileges as may be provided in such resolution or in any trust indenture or mortgage properly made in pursuance thereof.

Bonds.

Form.

Before any bonds may be sold in pursuance of any resolution of any Authority the chairman or secretary of such Authority shall certify to the Department of Internal Affairs a complete and accurate copy of the proceedings had for the issuance of the bonds which are to be sold in the manner now or hereafter provided for the certification to said department of the proceedings

Copy of proceedings authorizing the issuance of bonds to be filed with Department of Internal Affairs.

relating to the issuance of bonds of the municipalities of this Commonwealth. Upon receiving a certificate of approval of the proceedings from the Department of Internal Affairs, the Authority may proceed with the sale of the bonds.

The bonds of an Authority may be sold at not less than par and accrued interest. In case any of the officers of an Authority, whose signatures appear on any bonds or coupons, shall cease to be officers before the delivery of such bonds, their signatures shall nevertheless be valid and sufficient for all purposes the same as if such officers had remained in office until such delivery.

Authority may
buy bonds issued
by it.

Proviso.

The Authority shall have the power, out of any funds available therefor, to purchase any bonds issued by it at a price not more than the par value thereof, plus accrued interest: Provided, however, That bonds payable exclusively from the revenues of a designated project or projects shall be purchased only out of any such revenues available therefrom. All bonds so purchased shall be cancelled. This paragraph shall not apply to the redemption of bonds.

Any bond reciting in substance that it has been issued by an Authority to aid in financing a housing project to accomplish the public purposes of this act, shall be conclusively deemed in any suit, action or proceeding, involving the validity or enforceability of such bond or security therefor, to have been issued for such purpose.

Powers of the
Authority.

Section 19. Provisions of Bonds, Trust Indentures, and Mortgages.—In connection with the issuance of bonds or the incurring of obligations under leases, and in order to secure the payment of such bonds or obligations, an Authority, in addition to its other powers, shall have power—

(a) To pledge all or any part of its gross or net rents, fees or revenues to which its right then exists, or may thereafter come into existence.

(b) To mortgage all or any part of its real or personal property then owned or thereafter acquired.

(c) To covenant against pledging all or any part of its rents, fees, and revenues, or against mortgaging all or any part of its real or personal property to which its right or title exists, or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease, or otherwise dispose of, any housing project, or any part thereof; and to covenant as to what other or additional debts or obligations may be incurred by it.

(d) To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow, or otherwise, and as to the use and disposition of the proceeds there-

of; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of its bonds or interest thereon and to redeem the bonds; and to covenant for their redemption, and to provide the terms and conditions thereof.

(e) To covenant, subject to the limitations contained in this act, as to the rents and fees to be charged in the operation of a housing project or projects, and the amount to be raised each year or other period of time by rents, fees, and other revenues, as well as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for construction or operating costs, debt service reserves or other purposes; and to covenant as to the use and disposition of the moneys held in such funds.

(f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given.

(g) To covenant as to the use of any or all of its real or personal property; to warrant its title; and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys.

(h) To covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any covenant, condition or obligation; and to covenant and prescribe as to events of default, and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

(i) To vest in a trustee or trustees or the holders of bonds, or any proportion of them, the right to enforce the payment of the bonds, or any covenants securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by said Authority, to take possession and use, operate, and manage any housing project, or part thereof, and to collect the rents and revenues arising therefrom, and to dispose of such moneys in accordance with the agreement of the Authority with said trustee; to provide for the powers and duties of a trustee or trustees, and to limit liabilities thereof; and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds, or any proportion of them, may enforce any covenant or rights securing or relating to the bonds.

(j) To exercise all or any part or combination of the powers herein granted; to make covenants other than,

and in addition to, the covenants herein expressly authorized; to make such covenants, and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of said Authority, as will tend to accomplish the purposes of this act by making the bonds more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

Section 20. Remedies of an Obligee of Authority.—An obligee of an Authority shall have the right, in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee—

(a) By mandamus, suit, action or proceeding at law or in equity to compel said Authority, and the members, officers, agents, or employes thereof, to preform 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 act.

(b) By proceeding in equity to obtain an injunction against any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said Authority.

Additional powers enumerated.

Section 21. 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 or obligees, holding or representing a specified percentage in bonds or holding a lease, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default, as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction.

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

(b) To require said Authority, and the members thereof, to account as if it and they were the trustees of an express trust.

Section 22. Aid from Federal Government.—In addition to the powers conferred upon an Authority by

* "be" in the original.

other provisions of this act, an Authority is empowered to borrow money or accept grants or other financial assistance from the Federal Government for, or in aid of, any housing project within its area of operation, to take over or lease or manage any housing project or undertaking constructed or owned by the Federal Government, and to these ends to comply with such conditions, and enter into such mortgages, trust indentures, leases or agreements as may be necessary, convenient or desirable. It is the purpose and intent of this act to authorize every Authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal Government in the undertaking, construction, maintenance or operation of any housing project by such Authority.

Section 23. 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, except school taxes, of the city, the county, the Commonwealth, or any political subdivision thereof: Provided, however, That, in lieu of such taxes or special assessments, an Authority may agree to make payments to the city or the county, or any such political subdivision, for improvements, services, and facilities by such city, county or political subdivision for the benefit of a housing project or the persons residing on or occupying such premises, but in no event shall such payments exceed the estimated cost to such city, county or political subdivision of the improvements, services or facilities to be so furnished.

Proviso.

Section 24. Reports.—In addition to any other material which an Authority must file with the State Board of Housing according to the provisions of this act, it shall file with said board—

Report.

(a) A copy of any rules, regulations or resolutions, and amendments thereto, adopted by it from time to time.

Contents.

(b) At least once each year, a report of its activities for the preceding year, and such other reports as said board may require.

(c) Copies of the plans, layout, estimated costs, and proposed method of financing of proposed housing projects, as well as of any changes which may be made in any such project.

Section 25. Severability.—If any one or more sections, clauses, sentences or parts of this act shall for any reason be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions thereof, but shall be confined in its operation to the specific provisions so held unconstitu-

Constitutional provision.

tional or invalid, and the inapplicability or invalidity of any section, clause or provision of this act, in any one or more instances or circumstances, shall not be taken to affect or prejudice in any way its applicability or validity in any other instance.

Inconsistent laws repealed.

Section 26. Repeal of Inconsistent Acts.—All acts or parts of acts inconsistent with this act are hereby repealed.

When effective.

Section 27. Effective Date.—This act shall become effective immediately.

APPROVED—The 28th day of May, A. D. 1937.

GEORGE H. EARLE

No. 266

AN ACT

To amend clause (g) section one thousand three hundred nine of the act, approved the ninth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, one hundred seventy-seven), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined," to authorize the Pennsylvania Historical Commission, at its discretion, to deposit historic relics or other gifts in or on historic properties or shrines committed to its custody.

The Administrative Code.

Clause (g) of section 1309, act of April 9, 1929 (P. L. 177), amended.

Section 1. Be it enacted, &c., That the clause (g) of section one thousand three hundred nine of the act, approved the ninth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, one hundred seventy-seven), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and adminis-