

LEGISLATIVE HISTORY OF R.S. 55:14A-4
(Creation of Local Housing Authorities)

For background on the U.S. Housing Act of 1937 see Legislative History of R.S. 55:14A-20.

- L. 1938, Chapter 19 - A96 - ~~Section 5~~
Introduced by Mr. Wilensky. (~~part of p. 5 & 6~~
~~of original bill enclosed~~)
For Statement see Legislative Hist. of R.S. 55:14A-20.
Assembly amended this section on February 23. (Copy
of p. 264 & 265 of 1938 Minutes of Assembly,
showing changes made, enclosed).

- L. 1938, Chapter 210, § 1 - A680
Introduced May 16, 1938 by Wilensky.
Not amended during passage.
Statement:

The purpose of this act is to permit the State of New Jersey to obtain the full benefit of Federal funds that are available for housing projects. This act will enable counties which are in need of housing and in which no housing authority has been created to create a county housing authority which will be able to take advantage of the funds for slum clearance and housing offered by the Federal Government.

- L. 1948, Chapter 262 - S193
Introduced March 8 by Senator Hand.
Bill had statement (original bill with statement enclosed).
April 12 - Amended in Assembly (amendments with amended statement enclosed).

No hearings or reports on this legislation were located.

We searched the following without success:

New Jersey Municipalities, 1947, 1948.

- L. 1950, Chapter 67 - S287
Introduced March 8 by Hannold.
Statement:

The purpose of this bill is to correct certain typographical errors in certain statutes enacted at the one thousand nine hundred and forty-eight and one thousand nine hundred and

forty-nine sessions of the Legislature. It was drawn by the Law Revision & Bill Drafting Commission.

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ASSEMBLY, No. 96

STATE OF NEW JERSEY

INTRODUCED JANUARY 24, 1938

By Mr. WILENSKY

Referred to Committee on Housing

AN Act relating to the creation of local housing authorities, including the definition of their functions and powers, and to public housing projects undertaken by public bodies, and adding a new chapter to the Revised Statutes, to be known as chapter fourteen A of Title 55.

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. That there be added to the Revised Statutes a new chapter to be
2 known as chapter fourteen A of Title 55, Public Housing, as herein provided.

1 2. 55:14A-1. Short Title. This chapter may be referred to as the
2 "Local Housing Authorities Law."

1 3. 55:14A-2. Declaration of necessity of legislation. It is hereby de-
2 clared: (a) that there exist in the State insanitary or unsafe dwelling ac-
3 commodations and that persons of low income are forced to reside in such
4 insanitary or unsafe accommodations; that within the State there is a
5 shortage of safe or sanitary dwelling accommodations available at rents
6 which persons of low income can afford and that such persons are forced
7 to occupy overcrowded and congested dwelling accommodations; that the
8 aforesaid conditions cause an increase in and spread of disease and crime
9 and constitute a menace to the health, safety, morals and welfare of the
10 residents of the State and impair economic values; that these conditions
11 necessitate excessive and disproportionate expenditures of public funds for

12 crime prevention and punishment, public health and safety, fire and accident
13 protection, and other public services and facilities; (b) that these areas
14 in the State cannot be cleared, nor can the shortage of safe and sanitary
15 dwellings for persons of low income be relieved, through the operation of
16 private enterprise, and that the construction of housing projects for per-
17 sons of low income (as herein defined) would therefore not be competitive
18 with private enterprise; (c) that the clearance, replanning and reconstruc-
19 tion of the areas in which insanitary or unsafe housing conditions exist and
20 the providing of safe and sanitary dwelling accommodations by any public
21 body for persons of low income are public uses and purposes for which
22 public money may be spent and private property acquired and are govern-
23 mental functions of State concern; (d) that it is in the public interest that
24 work on projects for such purposes be commenced as soon as possible in
25 order to relieve unemployment; and the necessity in the public interest for
26 the provisions hereinafter enacted, is hereby declared as a matter of legis-
27 lative determination.

1 4. 55:14A-3. Definitions. The following terms, wherever used or referred
2 to in this chapter shall have the following respective meanings, unless a dif-
3 ferent meaning clearly appears from the context.

4 (a) "Authority" or "housing authority" or "authorities" or "hous-
5 ing authorities" shall mean any of the public corporations created by
6 this chapter.

7 (b) "Municipality" shall mean any city of any class, any town, town-
8 ship, village, borough or any municipal subdivision of this State.

9 "County" shall mean any county in the State. "The municipality"
10 shall mean the particular municipality or municipalities for which a
11 particular housing authority is created. "The county" shall mean the
12 particular county for which a particular housing authority is created.

13 (c) "Governing body" shall mean in the case of a municipality the
14 common council or the board of commissioners or the body managing its
15 affairs, and in the case of a county the board of chosen freeholders.

16 (d) "Clerk" shall mean the clerk of the municipality or the clerk of
17 the county, as the case may be, or the officer charged with the duties
18 customarily imposed on such clerk.

19 (e) "Area of operation": (1) in the case of a housing authority of
20 a municipality, shall include the area of such municipality; (2) in the
21 case of a regional housing authority of a group of two or more munici-
22 palities, shall include such municipalities; (3) in the case of a housing
23 authority of a county, shall include all of the county except that por-
24 tion which lies within the territorial limits of a municipality or group
25 of municipalities for which a housing authority has been created; with
26 respect to any municipality which has not created or joined in the cre-
27 ation of an authority, a housing authority of a county shall not include
28 such municipality within its area of operation, unless it has first se-
29 cured the approval of such action by said municipality (such approval
30 to be evidenced by a resolution adopted by the governing body of the
31 municipality).

32 (f) "Federal Government" shall include the United States of America,
33 the United States Housing Authority or any other agency or instrumen-
34 tality, corporate or otherwise, of the United States of America.

35 (g) "Public body" shall mean the State, or any county, city, town,
36 township, borough, village, school district, authority or any other politi-
37 cal subdivision of the State.

38 (h) "Slum" shall mean any area where dwellings predominate
39 which, by reason of dilapidation, overcrowding, faulty arrangement or
40 design, lack of ventilation, light or sanitation facilities, or any combina-
41 tion of these factors, are detrimental to safety, health or morals.

42 (i) "Housing project" shall mean any work or undertaking; (1) to
43 demolish, clear or remove buildings from any slum area; such work or
44 undertaking may embrace the adaptation of such area to public pur-
45 poses, including parks or other recreational or community purposes;
46 (2) to provide decent, safe and sanitary urban or rural dwellings,

47 apartments or other living accommodations for persons of low income;
48 such work or undertaking may include buildings, land, equipment, fa-
49 cilities and other real or personal property for necessary, convenient
50 or desirable appurtenances, streets, sewers, water service, parks, site
51 preparation, gardening, administrative, community, health, recreational,
52 educational, welfare or other purposes; or (3) to accomplish a combina-
53 tion of the foregoing. The term "housing project" also may be applied
54 to the planning of the buildings and improvements, the acquisition of
55 property, the demolition of existing structures, the construction, re-
56 construction, alteration and repair of the improvements and all other
57 work in connection therewith.

58 (j) "Persons of low income" shall mean persons or families who are
59 in the lowest income group and who cannot afford to pay enough to
60 cause private enterprise in their locality to build or furnish an ade-
61 quate supply of decent, safe and sanitary dwellings so as to enable
62 them, without financial assistance, to live in such dwellings, without
63 overcrowding.

64 (k) "Bonds" shall mean any bonds, notes, interim certificates, de-
65 bentures, or other obligations issued by an authority pursuant to this
66 chapter.

67 (l) "Real property" shall include all lands, including improvements
68 and fixtures thereon, and property of any nature appurtenant thereto,
69 or used in connection therewith, and every estate, interest and right,
70 legal or equitable, therein, including terms for years and liens by way
71 of judgment, mortgage or otherwise and indebtedness secured by such
72 liens.

73 (m) "Obligee of the authority" or "obligee" shall include any bond-
74 holder, trustee or trustees for any bondholders, or lessor demising to the
75 authority property used in connection with a housing project, or any as-
76 signee or assignees of such lessor's interest or any part thereof, and the
77 Federal Government when it is a party to any contract with the authority.

78 (n) "Director" shall mean the executive officer of the State Housing
79 Authority.

1 5. 55:14A-4. Creation of housing authorities. Any governing body
2 may, by resolution or ordinance, create a body corporate and politic to be
3 known as the "Housing Authority of" inserting the name
4 of the municipality or county creating such authority. Such authority
5 shall constitute an agency and instrumentality of the municipality or county
6 creating it. Upon the adoption of a resolution as aforesaid, a copy thereof
7 certified by the clerk shall be filed with the director. Thereupon the di-
8 rector shall make a determination of the necessity of initiating a housing
9 project in the area of operation of the authority, and should the commis-
10 sion determine that such necessity exists it shall issue its certificate setting
11 forth its conclusions, recommendations and findings. Thereupon if a certifi-
12 cate issues the governing body shall appoint five persons as commissioners
13 of the authority. The commissioners who are first appointed shall be desig-
14 nated to serve for terms of one, two, three, four and five years, respectively,
15 from the date of their appointment, but thereafter commissioners shall be
16 appointed as aforesaid for a term of five years, except that all vacancies
17 shall be filled for the unexpired term. The governing body of two or more
18 municipalities may by joint action and resolutions or ordinances create a
19 public body corporate and politic to be known as "..... Regional
20 Housing Authority," with such additional designation as may be provided
21 in the joint resolutions or ordinances. Such regional authority shall consti-
22 tute an agency and instrumentality of the municipalities creating it. Upon
23 the adoption of a joint resolution or ordinance as aforesaid, a copy thereof
24 certified by the clerk of each of the municipalities shall be filed with the
25 director. Thereupon the director shall make a determination of the neces-
26 sity of initiating a housing project in the area of operation of the authority,
27 and should the director determine that such necessity exists it shall issue
28 its certificate setting forth its conclusions, recommendations and findings.
29 Thereupon, if a certificate issues, the respective clerks shall promptly notify

30 the respective governing bodies of such adoption. Upon receiving such not-
 31 ice, each governing body shall appoint two persons as commissioners of the
 32 regional authority for a term of five years except that all vacancies shall
 33 be filled for the unexpired term. The governing body of the municipality
 34 which has the greatest population of any of the municipalities creating the
 35 regional authority shall appoint one additional person as commissioner of
 36 the authority for a like term. The clerks of the governing bodies shall
 37 file with the director the names of persons appointed as commissioners
 38 of an authority. The director may appoint a person as a member ex-officio
 39 of each housing authority. Said person shall not be entitled to vote in
 40 affairs of the authority, but shall be entitled to all other privileges of mem-
 41 bership on such authority. The director may remove such person and desig-
 42 nate a new one at any time or may fill the vacancy caused by the death or
 43 resignation of such person. No municipality which has created an authority
 44 pursuant to this section shall thereafter join in the creation of a regional
 45 authority. No municipality which has been included (with its consent) with-
 46 in the area of operation of a county housing authority shall thereafter
 47 create an authority or join in the creation of a regional authority.

1 6. 55:14A-5. Proof of existence of authority. In any suit, action or pro-
 2 ceeding involving the validity or enforcement of, or relating to, any contract
 3 of an authority, the authority shall be conclusively deemed to have become
 4 established and authorized to transact business and exercise its powers
 5 hereunder upon proof of the adoption by the governing body of the resolu-
 6 tion or ordinance aforesaid or by the governing bodies of the joint resolu-
 7 tions or ordinances as aforesaid. A copy of such resolution or ordinance
 8 or joint resolutions or ordinances duly certified by the clerk or clerks re-
 9 spectively shall be admissible in evidence in any suit, action or proceeding.

1 7. 55:14A-6. Authority; commissioners; misconduct; removal. No
 2 commissioner of any authority may be an officer or employee of the munici-
 3 pality or county for which the authority is created. A commissioner shall
 4 hold office until his successor has been appointed and has qualified. A cer-

5 tificate of the appointment or reappointment of any commissioner shall be
6 filed with the clerk and such certificate shall be conclusive evidence of the
7 due and proper appointment of such commissioner. A commissioner shall
8 receive no compensation for his services but he shall be entitled to the neces-
9 sary expenses, including traveling expenses incurred in the discharge of
10 his duties. The powers of each authority shall be vested in the commis-
11 sioners thereof in office from time to time. A majority, excluding the ex-
12 officio member, shall constitute a quorum of the authority for the purpose of
13 conducting its business and exercising its powers and for all other purposes.
14 Action may be taken by the authority upon a vote of the majority of the
15 commissioners present, unless in any case the by-laws of the authority shall
16 require a larger number. The authority shall select a chairman and a vice-
17 chairman from among its commissioners, and it may employ a secretary
18 (who shall be executive director), technical experts and such other officers,
19 agents and employees, permanent and temporary, as it may require, and
20 shall determine their qualifications, duties and compensation. For such le-
21 gal services as it may require, an authority may call upon any chief law
22 officers of the municipality, municipalities or the county, as the case may be,
23 or may employ its own counsel and legal staff. An authority may dele-
24 gate to one or more of its agents or employees such powers and duties as
25 it may deem proper. No commissioner or employee of an authority shall
26 acquire any interest direct or indirect in any housing project or in any
27 property included or planned to be included in the project nor shall he have
28 any interest direct or indirect in any contract or proposed contract for ma-
29 terials or services to be furnished or used in connection with any housing
30 project. If any commissioner or employee of an authority owns or controls
31 an interest direct or indirect in any property included or planned to be in-
32 cluded in a housing project he immediately shall disclose the same in writing
33 to the authority and such disclosure shall be entered upon the minutes of
34 the authority. Failure so to disclose such interest shall constitute miscon-
35 duct in office. Upon such disclosure such commissioner or employee shall

36 not participate in any action by the authority affecting such property.
37 For inefficiency or neglect of duty or misconduct in office, a commissioner of
38 an authority may be removed by the governing body which made the origi-
39 nal appointment, but a commissioner shall be removed only after he shall
40 have been given a copy of the charges at least ten days prior to the hear-
41 ing thereon and had an opportunity to be heard in person or by counsel.
42 In the event of the removal of any commissioner, a record of the proceed-
43 ings, together with the charges and findings thereon, shall be filed in the
44 office of the clerk.

1 8. 55:14A-7. Powers of authority. An authority shall constitute a pub-
2 lic body corporate and politic, exercising public and essential governmental
3 functions, and having all the powers necessary or convenient to carry out
4 and effectuate the purposes and provisions of this chapter, including the fol-
5 lowing powers in addition to others herein granted:

6 (a) To sue and be sued; to have a seal and to alter the same at pleas-
7 ure; to have perpetual succession; to make and execute contracts and
8 other instruments necessary or convenient to the exercise of the powers
9 of the authority; and to make and from time to time amend and repeal
10 by-laws, rules and regulations, not inconsistent with this chapter, to
11 carry into effect the powers and purposes of the authority.

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

16 (c) To arrange or contract for the furnishing by any person or agency,
17 public or private, of services, privileges, works or facilities for, or in
18 connection with, a housing project or the occupants thereof; and (not-
19 withstanding anything to the contrary contained in this chapter or in
20 any other provision of law) to include in any contract let in connection
21 with a project, stipulations requiring that the contractor and any sub-
22 contractors comply with requirements as to minimum wages and maxi-

23 num hours of labor, and comply with any conditions which the Federal
24 Government may have attached to its financial aid of the project. Every
25 construction, material and equipment contract shall be awarded to the
26 lowest responsible bidder, after every opportunity has been given for
27 free, open and competitive bidding; *provided*, that in the selection of
28 equipment or materials the authority may, in the interest of standardi-
29 zation or ultimate economy, if the advantage of such standardization or
30 such ultimate economy is clearly evident, award a contract to a respons-
31 ible bidder other than the lowest in price.

32 (d) To lease or rent any dwellings, houses, accommodations, lands,
33 buildings, structures or facilities embraced in any housing project and
34 (subject to the limitations contained in this chapter) to establish and re-
35 vise the rents or charges therefor; to own, hold and improve real or
36 personal property; to purchase, lease, obtain options upon, acquire by
37 gift, grant, bequest, devise, or otherwise, any real or personal property
38 or any interest therein; to acquire by the exercise of the power of emi-
39 nent domain any real property; to sell, lease, exchange, transfer, as-
40 sign, pledge or dispose of any real or personal property or any interest
41 therein; to insure or provide for the insurance of any real or personal
42 property or operations of the authority against any risks or hazards;
43 to procure or agree to the procurement of insurance or guarantees
44 from the Federal Government of the payment of any bonds or parts
45 thereof issued by an authority, including the power to pay premiums on
46 any such insurance.

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

52 (f) Within its area of operation; to investigate into living, dwelling
53 and housing conditions and into the means and methods of improving

54 such conditions; to determine where slum areas exist or where there is
55 a shortage of decent, safe and sanitary dwelling accommodations for
56 persons of low income; to make studies and recommendations relating
57 to the problem of clearing, replanning and reconstructing of slum areas,
58 and the problem of providing dwelling accommodations for persons of
59 low income, and to co-operate with any public body in action taken in
60 connection with such problems; and to engage in research, studies and
61 experimentation on the subject of housing.

62 (g) To exercise all or any part or combination of powers herein
63 granted.

1 9. 55:14A-8. Rental policies of authority. It is hereby declared to be
2 the policy of this State that each housing authority shall manage and oper-
3 ate its housing projects in an efficient manner so as to enable it to fix the
4 rentals for dwelling accommodations at the lowest possible rates consistent
5 with its providing decent, safe and sanitary dwelling accommodations, and
6 that no housing authority shall construct or operate any such project for
7 profit, or as a source of revenue to the municipality or the county. To this
8 end an authority shall fix the rentals for dwellings in its projects at no
9 higher rates than it shall find to be necessary in order to produce revenues
10 which (together with all other available moneys, revenues, income and re-
11 ceipts of the authority from whatever sources derived) will be sufficient (a) to
12 pay, as the same become due, the principal and interest on the bonds of the
13 authority; (b) to meet the cost of, and to provide for, maintaining and
14 operating the projects (including the cost of any insurance) and the admin-
15 istrative expenses of the authority; and (c) to create (during not less than
16 the six years immediately succeeding its issuance of any bonds) a reserve suf-
17 ficient to meet the largest principal and interest payments which will be due
18 on such bonds in any one year thereafter and to maintain such reserve.
19 In the operation or management of housing projects an authority shall at
20 all times observe the following duties with respect to rentals and tenant
21 selection; (a) it may rent or lease the dwelling accommodations therein only

22 to persons of low income and at rentals within the financial reach of such
 23 persons of low income; (b) it may rent or lease to a tenant dwelling ac-
 24 commodated consisting of the number of rooms (but no greater number)
 25 which it deems necessary to provide safe and sanitary accommodations to
 26 the proposed occupants thereof, without overcrowding; (c) it shall not ac-
 27 cept any person as a tenant in any housing project if the person or per-
 28 sons who would occupy the dwelling accommodations have an aggregate
 29 annum income in excess of five times the annual rental of the quarters to
 30 be furnished such person or persons, except that in the case of families
 31 with three or more minor dependents, such ratio shall not exceed six to one;
 32 in computing the rental for this purpose of selecting tenants, there shall be
 33 included in the rental the average annual cost (as determined by the au-
 34 thority) to occupants of heat, water, electricity, gas, cooking range and
 35 other necessary services or facilities, whether or not the charge for such
 36 services and facilities is in fact included in the rental.

1 10. 55:14A-9. Default. Foreclosure. Nothing contained in this or the
 2 preceding section shall be construed as limiting the power of an authority
 3 to vest in an obligee the right, in the event of a default by the authority, to
 4 take possession of a housing project or cause the appointment of a receiver
 5 thereof or acquire title thereto through foreclosure proceedings, free from all
 6 the restrictions imposed by this or the preceding section; *provided, however,*
 7 that in the event of a default by the authority which results in possession
 8 or title passing to a private mortgagee, any tax exemption privilege or other
 9 special privilege accorded to such housing project because of its public
 10 nature, shall cease.

1 11. 55:14A-10. Right of eminent domain. An authority shall have the
 2 right to acquire by the exercise of the power of eminent domain any real
 3 property which it may deem necessary for its purposes under this chapter
 4 after the adoption by it or a resolution declaring that the acquisition of the
 5 real property described therein is necessary for such purposes. Property
 6 already devoted to a public use may be acquired in like manner provided

7 that no real property belonging to a public body or corporation itself pos-
8 sessing the power of eminent domain may be acquired without its consent.

1 12. 55:14A-11. Projects subject to local laws. All housing projects of
2 an authority shall be subject to the planning, zoning, sanitary and build-
3 ing laws, ordinances and regulations applicable to the locality in which the
4 housing project is situated. In the planning and location of any housing
5 project, an authority shall take into consideration the relationship of the
6 project to any larger plan or long range program for the development of
7 the area in which the housing authority functions.

1 13. 55:14A-12. Bonds: power to issue. An authority shall have the
2 power to issue bonds from time to time in its discretion, for any of its cor-
3 porate purposes. An authority shall also have power to issue refunding
4 bonds for the purpose of paying or retiring bonds previously issued by it.
5 An authority may issue such types of bonds as it may determine, including
6 (without limiting the generality of the foregoing) bonds on which the prin-
7 cipal and interest are payable: (a) exclusively from the income and revenues
8 of the housing project financed with the proceeds of such bonds; (b) exclu-
9 sively from the income and revenues of certain designated housing projects
10 whether or not they are financed in whole or in part with the proceeds of such
11 bonds; or (c) from its revenues generally. Any such bonds may be addi-
12 tionally secured by a pledge of any grant or contributions from the Federal
13 Government or other source, or a pledge of any income or revenues of the
14 authority, or a mortgage of any housing project, projects or other property
15 of the authority.

1 14. 55:14A-13. Bonds: liability. Neither the commissioners of an au-
2 thority nor any person executing the bonds shall be liable personally on the
3 bonds by reason of the issuance thereof. The bonds and other obligations
4 of an authority (and such bonds and obligations shall so state on their face)
5 shall not be a debt of the State or any political subdivision thereof and
6 neither the State nor any political subdivision thereof shall be liable there-
7 on, nor in any event shall such bonds or obligations be payable out of any

8 funds or properties other than those of said authority. The bonds shall
 9 not constitute an indebtedness within the meaning of any debt limitation or
 10 restriction. Bonds of an authority are declared to be issued for an essen-
 11 tial public and governmental purpose and to be public instrumentalities,
 12 and, together with interest thereon and income therefrom, shall be exempt
 13 from taxes.

1 15. 55:14A-14. Bonds: provisions. Bonds of an authority shall be au-
 2 thorized by its resolution and may be issued in one or more series and shall
 3 bear such date or dates, mature at such time or times, bear interest at such
 4 rate or rates, not exceeding six per centum (6%) per annum, be in such
 5 denomination or denominations, be in such form, either coupon or regis-
 6 tered, carry such conversion or registration privileges, have such rank
 7 or priority, be executed in such manner, be payable in such medium
 8 of payment, at such place or places, and be subject to such terms
 9 of redemption (with or without premium) as such resolution, its
 10 trust indenture or mortgage may provide. The bonds may be sold
 10½ at not less than par at public sale held after notice published
 11 once at least five days prior to such sale in a newspaper having a general cir-
 12 culation in the area of operation and in a financial newspaper published in the
 13 city of Philadelphia, Pennsylvania, or in the city of New York, New York;
 14 *provided, however*, that such bonds may be sold at not less than par to the Fed-
 15 eral Government at private sale without any public advertisement.

16 Bonds: validity. In case any of the commissioners or officers of the
 17 authority whose signatures appear on any bonds or coupons shall cease to
 18 be such commissioners or officers before the delivery of such bonds, such
 19 signatures shall, nevertheless, be valid and sufficient for all purposes, the
 20 same as if such commissioners or officers had remained in office until such
 21 delivery. Any provision of any law to the contrary notwithstanding, any
 22 bonds issued pursuant to this act shall be fully negotiable.

23 Bonds: suit. In any suit, action or proceedings involving the validity
 24 or enforceability of any bond of an authority or the security therefor, any

25 such bond reciting in substance that it has been issued by the authority to
26 aid in financing a housing project to provide dwelling accommodations for
27 persons of low income shall be conclusively deemed to have been issued for
28 a housing project of such character and said project shall be conclusively
29 deemed to have been planned, located and constructed in accordance with
30 the purposes and provisions of this subtitle.

1 16. 55:14A-15. Bonds: powers of authority. In connection with the is-
2 suance of bonds or the incurring of obligations under leases and in order to
3 secure the payment of such bonds or obligations, an authority, in addition
4 to its other powers, shall have power:

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

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

9 (c) To covenant against pledging all or any part of its rents, fees and
10 revenues, or against mortgaging all or any part of its real or personal
11 property, to which its right or title then exists or may thereafter come
12 into existence or against permitting or suffering any lien on such rev-
13 enues or property; to covenant with respect to limitations on its right
14 to sell, lease or otherwise dispose of any housing project or any part
15 thereof; and to covenant as to what other, or additional debts or ob-
16 ligations may be incurred by it.

17 (d) To covenant as to the bonds to be issued and as to the issuance
18 of such bonds in escrow or otherwise, and as to the use and disposi-
19 tion of the proceeds thereof; to provide for the replacement of lost,
20 destroyed or mutilated bonds; to covenant against extending the time
21 for the payment of its bonds or interest thereon; and to redeem the
22 bonds, and to covenant for their redemption and to provide the terms
23 and conditions thereof.

24 (e) To covenant (subject to the limitations contained in this chapter)
25 as to the rents and fees to be charged in the operation of a housing

26 project or projects, the amount to be raised each year or other period of
 27 time by rents, fees and other revenues, and as to the use and disposi-
 28 tion to be made thereof; to create or to authorize the creation of special
 29 funds for moneys held for construction or operating costs, debt service,
 30 reserves, or other purposes, and to covenant as to the use and disposi-
 31 tion of the moneys held in such funds.

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

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

39 (h) To covenant as to the rights, liabilities, powers and duties aris-
 40 ing upon the breach by it of any covenant, condition, or obligation; and
 41 to covenant and prescribe as to events of default and terms and condi-
 42 tions upon which any or all of its bonds or obligations shall become or
 43 may be declared due before maturity, and as to the terms and conditions
 44 upon which such declaration and its consequences may be waived.

45-46 (i) To vest in a trustee or trustees or the holders of bonds or any
 47 proportion of them the right to enforce the payment of the bonds or
 48 any covenant securing or relating to the bonds; to vest in a trustee or
 49 trustees the right, in the event of a default by said authority, to take
 50 possession and use, operate and manage any housing project or part
 51 thereof, and to collect the rents and revenues arising therefrom and to
 52 dispose of such moneys in accordance with the agreement of the au-
 53 thority with said trustee; to provide for the powers and duties of a
 54 trustee or trustees or the holders of bonds or any proportion of them
 55 who may enforce any covenant or rights securing or relating to the bonds.

56 (j) To exercise all or any part or combination of the powers herein
 57 granted; to make covenants other than and in addition to the covenants

58 herein expressly authorized, of like or different character; to make such
59 covenants and to do any and all such acts and things as may be neces-
60 sary or convenient or desirable in order to secure its bonds, or, in the ab-
61 solute discretion of said authority, as will tend to make the bonds more
62 marketable notwithstanding that such covenants, acts or things may not
63 be enumerated herein.

1 17. 55:14A-16. Rights of obligees. An obligee of an authority shall have
2 the right in addition to all other rights which may be conferred on such ob-
3 lige, subject only to any contractual restrictions binding upon such ob-
4 lige;

5 (a) By mandamus, suit, action or proceeding at law or in equity to
6 compel said authority and the commissioners, officers, agents or em-
7 ployees thereof to perform each and every term, provision and covenant
8 contained in any contract of said authority with or for the benefit of
9 such obligee, and to require the carrying out of any or all such cove-
10 nants and agreements of said authority and the fulfillment of all duties
11 imposed upon said authority by this chapter.

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

1 18. 55:14A-17. Powers of authority after default. An authority shall
2 have power by its resolution, trust indenture, mortgage, lease or other con-
3 tract to confer upon any obligee holding or representing a specified amount
4 in bonds, or holding a lease, the right (in addition to all rights, that may
5 otherwise be conferred), upon the happening of an event of default as de-
6 fined in such resolution or instrument, by suit, action or proceeding in any
7 court of competent jurisdiction;

8 (a) To cause possession of any housing project or any part thereof to
9 be surrendered to any such obligee.

10 (b) To obtain the appointment of a receiver of any housing project
11 of said authority or any part thereof and of the rents and profits there-

12 from. If such receiver be appointed, he may enter and take possession
 13 of such housing project or any part thereof and operate and maintain
 14 same, and collect and receive all fees, rents, revenues, or other charges
 15 thereafter arising therefrom, and shall keep such moneys in a separate
 16 account or accounts and apply the same in accordance with the obliga-
 17 tions of said authority as the court shall direct.

18 (c) To require said authority and the commissioners thereof to ac-
 19 count as if it and they were the trustees of an express trust.

1 19. 55:14A-18. Real property exempt from levy. All real property of an
 2 authority shall be exempt from levy and sale by virtue of an execution, and
 3 no execution or other judicial process shall issue against the same nor shall
 4 any judgment against an authority be a charge or lien upon its real prop-
 5 erty; *provided, however*, that the provisions of this section shall not apply
 6 to or limit the right of obligees to foreclose or otherwise enforce any mort-
 7 gage of any authority or the right of obligees to pursue any remedies for
 8 the enforcement of any pledge or lien given by an authority on its rents, fees
 9 or revenues.

1 20. 55:14A-19. Powers of authority pertaining to Federal Government.
 2 In addition to the powers conferred upon any authority by other provisions
 3 of this chapter, an authority is empowered to borrow money or accept con-
 4 tributions; grants or other financial assistance from the Federal Govern-
 5 ment for or in aid of any housing project within its area of operation, to
 6 take over or lease or manage any housing project or undertaking constructed
 7 or owned by the Federal Government, and to these ends, to comply with such
 8 conditions and enter into such mortgages, trust indentures, leases or agree-
 9 ments as may be necessary, convenient or desirable. It is the purpose and
 10 intent of this chapter to authorize every authority to do any and all things
 11 necessary or desirable to secure the financial aid or co-operation of the
 12 Federal Government in the undertaking, construction, maintenance or oper-
 13 ation of any housing project by such authority.

1 21. 55:14A-20. Property exempt from taxes. All housing projects of
 2 housing authority, including all property of the public body or bodies or

3 housing authority or authorities comprising such housing projects, are
 4 hereby declared to be public property devoted to an essential public and
 5 governmental purpose. All such public property devoted to such a public
 6 purpose shall be exempt from all taxes and special assessments of the State
 7 or any political subdivision, thereof; *provided, however*, that in lieu of such
 8 taxes, the public body which owns or holds such property may agree to make
 9 payments to a political subdivision for the services, improvements or facili-
 10 ties furnished by it for the benefit of a housing project, but in no event shall
 11 such payments exceed the amount last levied as the annual tax of such politi-
 12 cal subdivision upon the property included in said project prior to the time
 13 of its acquisition by the aforesaid public body.

1 22. 55:14A-21. Bonds: legal investment for banks and trustees. The
 2 State and all public officers and public bodies, all banks, bankers, trust com-
 3 panies, saving banks and institutions, building and loan associations, savings
 4 and loan associations, investment companies and other persons carrying on
 5 a banking business, all insurance companies, insurance associations and other
 6 persons carrying on an insurance business, and all executors, administrators,
 7 guardians, trustees and other fiduciaries may legally invest funds belonging
 8 to them or within their control in any bonds of an authority when they are
 9 secured by a pledge of the revenues of a housing project, and when they are
 10 additionally secured by a pledge of annual contributions to be paid to an
 11 authority by the Federal Government; *provided*, that building and loan asso-
 12 ciations may only invest in such securities when they are additionally se-
 13 cured by a first mortgage on such project, which mortgage, when made,
 14 shall not exceed eighty per centum (80%) of the appraised value of the
 15 property. The provisions of this section shall not be construed as limiting
 16 the powers granted by the housing co-operation law and the powers granted
 17 by any other law, but shall be supplemented thereto; *provided, however*,
 18 that nothing contained in this section may be construed as relieving any per-
 19 son, firm or corporation from any duty of exercising reasonable care in se-
 20 lecting securities.

1 23. 55:14A-22. Relationship between authority and director. Upon com-
2 pletion of an application of an authority for the financial assistance of any
3 agency of the Federal Government in connection with a housing project, the
4 authority shall present to the director the said application and supporting
5 data. The application and data shall be transmitted by the director within
6 twenty days from the receipt thereof to the Federal agency in question,
7 with the recommendations of the director. Should the director fail, within
8 the said twenty-day period, to forward said application and documents to
9 the Federal Government, or its appropriate agency, the authority shall be
10 permitted, anything in this chapter to the contrary notwithstanding, to pre-
11 sent its application to the Federal Government, or its agency. During the
12 pendency of an application to the Federal Government, or its agency, for its
13 assistance as aforesaid, the authority shall file with the director copies of all
14 correspondence agreements and documents that may be exchanged between
15 the authority and representatives of the Federal Government in connection
16 with the project. The authority, its members and personnel, shall co-oper-
17 ate with the director and its representatives in the performance of the di-
18 rector's functions and in particular in the director's capacity of serving as a
19 central bureau through which statistical and other information, pertaining
20 to slum clearance and low-cost housing, will be disseminated. Authorities
21 shall co-operate in the director's duties of co-ordinating all housing agencies
22 in the State of New Jersey and of integrating their activities with the Fed-
23 eral Government and its agencies.

1 24. 55:14A-23. Criticism of project; changes. Any change proposed
2 to be made in an approved project shall be filed with the director by the
3 authority. Should the director at any time submit to an authority its sug-
4 gestions with reference to any project or change in a project of the author-
5 ity, said authority shall give consideration to such suggestions at a regular
6 or special meeting of the authority.

1 25. 55:14A-24. Reports to director. At least once a year, an authority
2 shall file with the clerk and with the director a report of its activities for

3 the preceding year, and shall make recommendations with reference to such
 4 additional legislation or other action as it deems necessary in order to carry
 5 out the purposes of this chapter.

1 26. 55:14A-25. Validity of chapter. Notwithstanding any other evi-
 2 dence of legislative intent, it is hereby declared to be the controlling legis-
 3 lative intent that if any provision of this chapter, or the application thereof
 4 to any person or circumstances, is held invalid, the remainder of the chap-
 5 ter and the application of such provision to persons or circumstances other
 6 than those as to which it is held invalid, shall not be affected thereby.

1 27. 55:14A-26. Chapter paramount over inconsistent laws. Insofar
 2 as the provisions of this chapter are inconsistent with the provisions of any
 3 other law, the provisions of this chapter shall be controlling.

1 28. This act shall take effect immediately.

STATEMENT

This bill establishes the right of any municipality and county to create housing authorities for the purpose of slum clearance and low-cost housing as separate entities. It complies with the requirements of the United States Housing Act of 1937 and permits federal aid in such venture. Proper restrictions and safeguards are included for an efficient economical administration of the authority.

It is the aim of this act to provide the machinery for local authorities co-operating with the State and Federal Governments in providing adequate, safe and decent housing facilities for low income persons. Allotments will be made available for a period of three years, upon passage of this and other enabling legislation, by the United States Housing Authority.

Assembly Bill No. 220, entitled "An act concerning district courts, and supplementing chapter thirty-two of Title 2 of the Revised Statutes,"

Was taken up, read a second time, considered by sections, agreed to, ordered reprinted, and ordered to have a third reading.

Mrs. Pilch, Chairman of the Committee on Housing, reported

Assembly Bill No. 98,

Favorably, without amendment.

Assembly Bill No. 98, entitled "An act concerning eminent domain, amending section 20:1-30 of the Revised Statutes, and adding new sections 20:1-36 and 20:1-37,"

Was taken up, read a second time, considered by sections, agreed to, ordered reprinted, and ordered to have a third reading.

Mrs. Pilch, Chairman of the Committee on Housing, reported

Assembly Bill No. 96,

Favorably, with the following amendments:

Page 5, section 5, line 2, after the word "resolution" insert "in the case of counties"; and after the word "ordinance" insert "in the case of municipalities,"

Page 5, section 5, line 6, strike out the sentence beginning with the word "Upon" and strike out all of lines 7, 8, 9, 10 and line 11 up to the word "findings."

Page 5, section 5, line 11, in the sentence beginning with the word "Thereupon" strike out the words "if a certificate issues".

Page 5, section 5, line 18, strike out the words "and resolutions".

Page 5, section 5, line 23, strike out the words "resolution or".

Page 5, section 5, line 25, strike out the sentence beginning "Thereupon" and all of lines 26, 27, 28, ending with the word "findings."

Page 5, section 5, line "Thereupon" strike out issues,".

Page 6, section 5, line strike out the period and receive no compensation of ing authority."

Page 6, section 6, line tions or".

Page 6, section 6, line tions or".

Page 8, section 8, subd of subdivision C and inse

C. "To arrange or co scribed by law concerni wise provided by the ru States Housing Authorit son or agency, public or works or facilities for, project or the occupant anything to the contrary any other provision of li in connection with a pr the contractor and any su ments as to minimum wa and comply with any co ernment may have atta project."

Page 18, section 21, li add the following: "as mains under exclusive co authority or public body erty".

Section 4, subdivision word "resolution" and "ordinance".

Section 4, subdivision period after the word "t of a colon and add the f

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Page 5, section 5, line 29, in the sentence beginning
"Thereupon" strike out the words "if a certificate
issues,".

Page 6, section 5, line 39, after the word "authority"
strike out the period and insert the following: ", who shall
receive no compensation or expenses from such local hous-
ing authority."

Page 6, section 6, line 6, strike out the words "resolu-
tions or".

Page 6, section 6, line 8, strike out the words "resolu-
tions or".

Page 8, section 8, subdivision C, line 16. Strike out all
of subdivision C and insert the following:

C. "To arrange or contract, in the manner now pre-
scribed by law concerning municipalities, except as other-
wise provided by the rules or regulations of the United
States Housing Authority, for the furnishing by any per-
son 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 include in any contract let
in connection with a project, stipulations requiring that
the contractor and any subcontractors comply with require-
ments as to minimum wages and maximum hours of labor,
and comply with any conditions which the Federal Gov-
ernment may have attached to its financial aid of the
project."

Page 18, section 21, line 7. After the word "thereof"
add the following: "as long as such public property re-
mains under exclusive control and jurisdiction of a housing
authority or public body which owns or holds such prop-
erty".

Section 4, subdivision (e), page 3, line 30, strike out the
word "resolution" and insert in lieu thereof the word
"ordinance".

Section 4, subdivision (i), page 4, line 57, strike out the
period after the word "therewith" and insert in lieu there-
of a colon and add the following:

SENATE, No. 193

STATE OF NEW JERSEY

INTRODUCED MARCH 8, 1948

By Mr. HAND

Referred to Committee on Counties and Municipalities

AN Act to amend "An act relating to the creation of local housing authorities, including the definition of their functions and powers, and to public housing projects undertaken by public bodies, and adding a new chapter to the Revised Statutes, to be known as chapter fourteen A of Title 55," approved March eighth, one thousand nine hundred and thirty-eight (P. L. 1938, c. 19).

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. Section seven of the act of which this act is amendatory is amended to
2 read as follows:

3 7. Authority; commissioners; misconduct; removal. ~~[No]~~ Not more
4 than one commissioner of any authority may be an officer or employee of the
5 municipality or county for which the authority is created. A commissioner
6 shall hold office until his successor has been appointed and has qualified. A
7 certificate of the appointment or reappointment of any commissioner shall
8 be filed with the clerk and such certificate shall be conclusive evidence of the
9 due and proper appointment of such commissioner. A commissioner shall
10 receive no compensation for his services but he shall be entitled to the nec-
11 essary expenses, including traveling expenses incurred in the discharge of
12 his duties. The powers of each authority shall be vested in the commis-
13 sioners thereof in office from time to time. A majority, excluding the ex-

14 officio member, shall constitute a quorum of the authority for the purpose of
15 conducting its business and exercising its powers and for all other purposes.
16 Action may be taken by the authority upon a vote of the majority of the
17 commissioners present, unless in any case the by-laws of the authority shall
18 require a larger number. The authority shall select a chairman and a vice-
19 chairman from among its commissioners, and it may employ a secretary
20 (who shall be executive director), technical experts and such other officers,
21 agents and employees, permanent and temporary, as it may require, and
22 shall determine their qualifications, duties and compensation. For such legal
23 services as it may require, an authority may call upon any chief law officers
24 of the municipality, municipalities or the county, as the case may be, or may
25 employ its own counsel and legal staff. An authority may delegate to one or
26 more of its agents or employees such powers and duties as it may deem
27 proper. No commissioner or employee of an authority shall acquire any in-
28 terest direct or indirect in any housing project or in any property included or
29 planned to be included in the project nor shall he have any interest direct or
30 indirect in any contract or proposed contract for materials or services to be
31 furnished or used in connection with any housing project. If any commis-
32 sioner or employee of an authority owns or controls an interest direct or in-
33 direct in any property included or planned to be included in a housing project
34 he immediately shall disclose the same in writing to the authority and such
35 disclosure shall be entered upon the minutes of the authority. Failure so to
36 disclose such interest shall constitute misconduct in office. Upon such dis-
37 closure such commissioner or employee shall not participate in any action
38 by the authority affecting such property. For inefficiency or neglect of duty
39 or misconduct in office, a commissioner of an authority may be removed by
40 the governing body which made the original appointment, but a commissioner
41 shall be removed only after he shall have been given a copy of the charges
42 at least ten days prior to the hearing thereon and had an opportunity to be
43 heard in person or by counsel. In the event of the removal of any commis-

44 sioner, a record of the proceedings, together with the charges and findings
45 thereon, shall be filed in the office of the clerk.

1 2. This act shall take effect immediately.

STATEMENT

This bill permits one member of a municipal governing body to be appointed a member of a local housing authority.

[OFFICIAL COPY REPRINT]
ASSEMBLY AMENDMENTS TO
SENATE, No. 193

STATE OF NEW JERSEY

ADOPTED APRIL 12, 1948

Page 1, between the enacting clause and section one, insert new section one to read as follows:

1. Section four of the act of which this act is amendatory is amended to read as follows:

4. Any governing body may, by resolution in the case of counties, or ordinance in the case of municipalities, create a body corporate and politic to be known as the "Housing Authority of" inserting the name of the municipality or county creating such authority. Such authority shall constitute an agency and instrumentality of the municipality or county creating it. The authority shall consist of six members who shall be appointed and hold office for the terms as hereinafter provided. The governing body shall appoint five commissioners of the authority. These commissioners first appointed by the governing body shall be designated to serve for terms of one, two, three, four and five years, respectively, from the date of their appointment, but thereafter commissioners so appointed shall hold office for a term of five years, except that all vacancies shall be filled for the unexpired term. The director shall, on receipt of notification of the creation of a housing authority, appoint one member thereof who shall hold office at his pleasure. The governing body of two or more municipalities may by joint action or ordinances create a public body corporate and politic to be known as "..... Regional Housing Authority," with such additional designation as may be provided in the joint ordinances. Such regional authority shall constitute an agency

and instrumentality of the municipalities creating it. Upon the adoption of a joint ordinance as aforesaid, a copy thereof certified by the clerk of each of the municipalities shall be filed with the director. The authority shall consist of six members who shall be appointed and hold office for the terms as hereinafter provided. Thereupon the respective clerks shall promptly notify the respective governing bodies of such adoption. Upon receiving such notice, each governing body shall appoint two commissioners of the regional authority for a term of five years except that all vacancies shall be filled for the unexpired term. The governing body of the municipality which has the greatest population of any of the municipalities creating the regional authority shall appoint one additional commissioner of the authority for a like term. The clerks of the governing bodies shall file with the director the names of persons appointed as commissioners. The director shall, on receipt of notification of the creation of said housing authority, appoint one member thereof who shall hold office at his pleasure. The said person appointed by the director shall be entitled to vote as a member of the housing authority and shall be entitled to all other privileges of membership on such authority. The director may remove such person and designate a new one at any time or may fill the vacancy caused by the death or resignation of such person. No municipality which has created an authority pursuant to this section shall thereafter join in the creation of a regional authority. No municipality which has been included with its consent within the area of operation of a county housing authority shall thereafter create an authority or join the creation of a regional authority. Where there is no housing authority in existence in any municipality of a county, the governing body of said county may create a housing authority; *provided*, the director shall certify that there is a need for housing within said county; thereafter, no municipality within said county shall create an authority or join in the creation of a regional authority without the consent of the governing body of said county and without the consent of the county housing authority.

Page 1, section 1, line 1, strike out "1" and insert "2".

Page 1, section 1, line 5, after "created" strike out "A commissioner" and insert "All commissioners".

Page 1, section 1, line 6, strike out "his successor has" after "until" and insert "their successors have".

Page 1, section 1, line 6, strike out "has" after "and" and insert "have".

Page 1, section 1, line 13, strike out "A majority, excluding the ex-" and insert "Four members".

Page 2, section 1, line 14, strike out "officio member,".

Page 2, section 1, line 40, strike out "governing body" after "the" and insert "appointing authority".

The Statement of purposes should be changed to state:

"This bill permits one member of a municipal governing body to be appointed a member of a local housing authority and provides that one member thereof will be appointed by the Public Housing and Development Authority of the State which member will have a vote and be entitled to all the privileges of the other members and for this purpose it does away with an ex-officio member of the authority and enlarges the number of commissioners to six whereas it had formerly been five."