

of necessary expenses (which shall be considered nonadministrative expenses) in connection with administering (1) transfers pursuant to section 1581 of this title, (2) redeterminations of the temporary or permanent character of demountable housing pursuant to section 1583 of this title, (3) changes in land tenure and revisions in the consideration payable to landowners pursuant to subsection<sup>1</sup> (a) and (b), and (4) transfers of permanent war housing for low-rent use pursuant to section 1586 of this title. Moneys in such reserve account shall also be available for the purpose of making improvements to, or alterations of, any permanent housing or part thereof if (1) the dwelling structures therein are designed for occupancy by not more than four families and are to be sold separately and (2) such improvement or alteration is requested by the local governing body as a condition to the acceptance of the dedication of streets or utilities or is necessary for compliance with local law or regulation relating to the continued operation or occupancy of the housing by a purchaser.

(Oct. 14, 1940, ch. 862, title VI, § 605, as added June 28, 1948, ch. 688, § 7, as added Apr. 20, 1950, ch. 94, title II, § 201, 64 Stat. 59; amended Sept. 1, 1951, ch. 378, title VI, § 603(b), (c), 65 Stat. 314; Aug. 2, 1954, ch. 649, title VIII, § 805(1), 68 Stat. 644; Aug. 11, 1955, ch. 783, title I, § 108(d), 69 Stat. 638; Pub. L. 89-174, § 5(a), Sept. 9, 1965, 79 Stat. 669.)

#### REFERENCES IN TEXT

Title II of the Independent Offices Appropriation Act, 1955, referred to in subsec. (a), is title II of act June 24, 1954, ch. 359, 68 Stat. 294. Provisions of title II that authorized funds for acquisition of housing sites are not classified to the Code.

Subchapters III and VI of this chapter, referred to in subsec. (a), were comprised of sections 1531 to 1536 and 1571 to 1576, respectively, of this title and have been omitted from the Code. For further details, see note set out under section 1522 of this title.

Section 1543 of this title, referred to in subsec. (c), was omitted from the Code.

#### AMENDMENTS

1955—Subsec. (a). Act Aug. 11, 1955, authorized Administrator to acquire a fee simple title to lands where he finds that such acquisition will tend to expedite the transition of the city from a war-affected community containing a large number of temporary houses to a community having additional permanent, well-planned, residential neighborhoods.

1954—Subsec. (a). Act Aug. 2, 1954, added second par.

1951—Subsec. (b). Act Sept. 1, 1951, in cl. (2), inserted "plus 100 per centum of such value", substituted "shall" for "is authorized" and "increase" for "to increase".

#### TRANSFER OF FUNCTIONS

For transfer of functions to Secretary of Housing and Urban Development, see note set out under section 1581 of this title.

### § 1586. Sale of specific housing projects

#### (a) Conditions precedent

The Secretary of Housing and Urban Development is specifically authorized to convey the following housing projects to the following local public housing agencies respectively, if—

(1) on or before January 30, 1953, (i) the conveyance is requested by the governing body of the municipality or county and (ii) the public housing agency has demonstrated to the satisfaction of the Secretary of Housing and Urban Development that there is a need for low-rent housing (as such term is defined in the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]) within the area of operation of such public housing agency which is not being met by private enterprise;

(2) the Secretary of Housing and Urban Development determines that the project requested will meet such need in whole or in part, and is suitable for low-rent housing use; and

(3) on or before June 30, 1953, the governing body of the municipality or county enters into an agreement with the public housing agency (satisfactory to the Secretary of Housing and Urban Development) providing for local cooperation and payments in lieu of taxes not in excess of the amount permitted by subsection (c)(5) of this section, and the public housing agency enters into an agreement with the Secretary of Housing and Urban Development (in accordance with subsection (c) of this section) or for the administration of the project:

<i>State</i>	<i>Project number</i>	<i>Local public housing agency</i>
Alabama .....	1041	Housing Authority of District of Birmingham.
	1061	Housing Authority of Greater Gadsden.
	1062	Housing Authority of Greater Gadsden.
	1031	Housing Board of Mobile.
	1033	Housing Board of Mobile.
	1034	Housing Board of Mobile.
	1035	Housing Board of Mobile.
	1036	Housing Board of Mobile.
	1101	Housing Board of Mobile.
	1102	Housing Board of Mobile.
	1072	Housing Authority of Sylacauga.
	1076	Housing Authority of Sylacauga.
	1073	Housing Authority of City of Talladega.
Arkansas .....	3023	Housing Authority of City of Conway.
California .....	4031	Housing Authority of City of Fresno.
	4161	Housing Authority of County of Kern.
	4141	Housing Authority of County of Kern.
	4103	Housing Authority of City of Los Angeles.
	4104	Housing Authority of City of Los Angeles.
	4108	Housing Authority of City of Los Angeles.
	4121	Housing Authority of City of Paso Robles.
	4171	Housing Authority of City of Richmond.
Connecticut .....	4174	Housing Authority of City of Richmond.
	6091	Housing Authority of City of Bristol.
	6024	Housing Authority of Town of East Hartford.
	6031	Housing Authority of City of New Britain.
District of Columbia.	6032	Housing Authority of City of New Britain.
	6101	Housing Authority of City of New Haven.
	6041	Housing Authority of City of Waterbury.
	6213	Housing Authority of City of Waterbury.
	49012	National Capital Housing Authority.
	49017	National Capital Housing Authority.
	49044	National Capital Housing Authority.
Florida .....	8052	Housing Authority of City of Jacksonville.

<sup>1</sup> So in original. Probably should be "subsections".

<i>State</i>	<i>Project number</i>	<i>Local public housing agency</i>	<i>State</i>	<i>Project number</i>	<i>Local public housing agency</i>
	8121	Housing Authority of City of Lake-land.	Pennsylvania .....	36051	Housing Authority of County of Beaver.
	8062	Housing Authority of City of Miami.		36058	Housing Authority of County of Beaver.
	8011	Housing Authority of City of Orlando.		36041	Housing Authority of Bethlehem.
	8082	Housing Authority of City of Pensacola.		36042	Housing Authority of Bethlehem.
	8084	Housing Authority of City of Pensacola.		36044	Housing Authority of Bethlehem.
	8085	Housing Authority of City of Pensacola.		36151	Allegheny County Housing Authority.
	8131	Housing Authority of City of Sebring.		36152	Allegheny County Housing Authority.
	8041	Housing Authority of City of West Palm Beach.		36061	Housing Authority of County of Lawrence.
Georgia .....	9071	Housing Authority of City of Albany.		36021	Housing Authority of City of Erie.
	9061	Housing Authority of Macon.		36031	Housing Authority of County of Lycoming.
	9063	Housing Authority of Macon.		36011	Housing Authority of Philadelphia.
	9041	Housing Authority of Savannah.		36012	Housing Authority of Philadelphia.
	9042	Housing Authority of Savannah.		36014	Housing Authority of Philadelphia.
	9043	Housing Authority of Savannah.		36015	Housing Authority of Philadelphia.
Illinois .....	11081	Madison County Housing Authority.		36016	Housing Authority of Philadelphia.
	11082	Madison County Housing Authority.		36101	Housing Authority of City of Pittsburgh.
	11111	Winnebago County Housing Authority.	Rhode Island .....	36212	Allegheny County Housing Authority.
	11112	Winnebago County Housing Authority.		36295	Housing Authority of City of York.
Indiana .....	12071	Housing Authority of City of Fort Wayne.	South Carolina ....	37013	Housing Authority of City of Newport.
	12021	Housing Authority of City of South Bend.		38023	Housing Authority of City of Charleston.
Louisiana .....	16051	Housing Authority of Parish of East Baton Rouge.		38061	Housing Authority of City of Charleston.
Maryland .....	18095	Housing Authority of Baltimore City.		38041	Housing Authority of City of Spartanburg.
	18096	Housing Authority of Baltimore City.	Tennessee .....	38042	Housing Authority of City of Spartanburg.
	18097	Housing Authority of Baltimore City.		40022	Jackson Housing Authority.
	18098	Housing Authority of Baltimore City.		40023	Milan Housing Authority.
Massachusetts .....	19051	Boston Housing Authority.	Texas .....	40011	Nashville Housing Authority.
	19021	Chicopee Housing Authority.		40025	Trenton Housing Authority.
	19022	Chicopee Housing Authority.		41064	Housing Authority of City of Corpus Christi.
	19061	Pittsfield Housing Authority.		41065	Housing Authority of City of Corpus Christi.
	19023	Springfield Housing Authority.		41133	Housing Authority of City of Freeport.
Michigan .....	20042	Housing Commission of Detroit.		41031	Housing Authority of City of Houston.
Nevada .....	26021	Housing Authority of City of Las Vegas.		41131	Housing Authority of City of Lake Jackson.
New Hampshire ...	27021	Housing Authority of City of Manchester.		41101	Housing Authority of City of Mineral Wells.
New Jersey .....	28044	Housing Authority of City of Camden.		41103	Housing Authority of City of Mineral Wells.
	28021	Housing Authority of City of Long Branch.		41072	Housing Authority of City of Orange.
	28072	Housing Authority of City of Newark.		41032	Housing Authority of City of Pasadena.
	28111	Housing Authority of Town of Phillipsburg.		41141	Housing Authority of City of Texarkana.
New York .....	30031	Buffalo Municipal Housing Authority.	Virginia .....	41121	Housing Authority of City of Wichita Falls.
	30032	Buffalo Municipal Housing Authority.		44131	Alexandria Redevelopment and Housing Authority.
	30042	Elmira Housing Authority.		44132	Alexandria Redevelopment and Housing Authority.
	30033	Lackawanna Municipal Housing Authority.		44133	Alexandria Redevelopment and Housing Authority.
	30039	Lackawanna Municipal Housing Authority.		44135	Alexandria Redevelopment and Housing Authority.
	30034	Niagara Falls Housing Authority.		44136	Alexandria Redevelopment and Housing Authority.
	30071	Niagara Falls Housing Authority.		44065	Newport News Redevelopment and Housing Authority.
	30082	Massena Housing Authority.		44074	Norfolk Redevelopment and Housing Authority.
North Carolina ....	31023	Housing Authority of City of Wilmington.		44086	Portsmouth Redevelopment and Housing Authority.
	31024	Housing Authority of City of Wilmington.	Washington .....	45043	Housing Authority of City of Bremerton.
Ohio .....	33031	Canton Metropolitan Housing Authority.		45277N	Housing Authority of County of Clallam.
	33033	Canton Metropolitan Housing Authority.		45315N	Housing Authority of County of Clallam.
	33021	Cincinnati Metropolitan Housing Authority.		45133	Housing Authority of County of King.
	33071	Cleveland Metropolitan Housing Authority.		45052	Housing Authority of City of Seattle.
	33074	Cleveland Metropolitan Housing Authority.		45053	Housing Authority of City of Seattle.
	33075	Cleveland Metropolitan Housing Authority.		45054	Housing Authority of City of Seattle.
	33112	Lorain Metropolitan Housing Authority.		45055	Housing Authority of City of Seattle.
	33261	Lorain Metropolitan Housing Authority.		45056	Housing Authority of City of Seattle.
	33262	Lorain Metropolitan Housing Authority.		45122	Housing Authority of City of Vancouver.
	33041	Warren Metropolitan Housing Authority.			
	33043	Warren Metropolitan Housing Authority.			
Oregon .....	35021	Housing Authority of Portland.			

In addition to the authority of the Secretary of Housing and Urban Development under the first sentence of this subsection, the Secretary

is specifically authorized to convey any permanent war housing project to a local public housing agency if requested in writing, within sixty days after April 20, 1950, by such agency or the executive head of the municipality (or of the county or parish if such project is not in a municipality) within which the project is located, or by the Governor of the State where an agency of the State has authority to operate the project: *Provided*, That any conveyance by the Secretary of Housing and Urban Development pursuant to this sentence shall be subject to the same conditions and requirements as provided in this section with respect to a project specifically designated herein.

**(b) Projects as "low-rent housing"**

Upon the conveyance by the Secretary of Housing and Urban Development of any such project pursuant to the provisions of this section, such project shall constitute and be deemed to be "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.] (and to be a low-rent housing project assisted pursuant to that Act, within the meaning of section 1404a(b) of this title). Any instrument of conveyance by the Administrator stating that it is executed under subchapters II to VII of this chapter shall be conclusive evidence of compliance therewith insofar as any title or other interest in the property is concerned.

**(c) Conditions and requirements of agreements**

The agreement between the public housing agency and the Secretary of Housing and Urban Development required by subsection (a) of this section shall contain the following conditions and requirements, and may contain such further conditions, requirements, and provisions as the Secretary determines—

(1) during a period of forty years following the conveyance the project shall be administered as low-rent housing in accordance with subsections 2(1) and 2(2) of the United States Housing Act of 1937 [42 U.S.C. 1402(1) and (2)]: *Provided*, That if at any time during such period the public housing agency and the Secretary of Housing and Urban Development agree that the project, or any part thereof, is no longer suitable for use as low-rent housing, the project, or part thereof, shall with the approval of the Secretary of Housing and Urban Development be sold by the public housing agency after which the agreement shall be deemed to have terminated with respect to such project or part thereof except that the proceeds from such sale, after payment of the reasonable expense thereof, shall be paid to the Secretary of Housing and Urban Development, or, with the Secretary's approval, used to finance the repair or rehabilitation of a project or part thereof conveyed to the public housing agency under this section;

(2) the public housing agency shall, within six months following the conveyance, initiate a program for the removal of all families residing in the project on the date of conveyance who are ineligible under the provisions of the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.] for continued occupancy therein, and shall have required such ineligible tenants

to vacate their dwellings within eighteen months after the initiation of such program: *Provided*, That military personnel as designated by the Secretary of Defense or his designee shall not be subject to such removal until eighteen months after the date of conveyance;

(3) annually during the term of such agreement, the public housing agency shall pay to the Secretary of Housing and Urban Development all income from the project remaining after deducting the amounts necessary (as determined pursuant to regulations of the Secretary of Housing and Urban Development) for (i) the payment of reasonable and proper costs of operating, maintaining, and approving such project, (ii) the payments in lieu of taxes authorized hereunder, (iii) the establishment and maintenance of reasonable and proper reserves as approved by the Secretary of Housing and Urban Development, and (iv) the payment of currently maturing installments of principal of and interest on any indebtedness incurred by such public housing agency with the approval of the Secretary of Housing and Urban Development: *Provided*, That the provisions of this paragraph shall not be applicable to any project which is consolidated under a single contract with one or more low-rent projects being assisted under the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.], and all income from any such project conveyed under this section may be commingled with funds of the project or projects with which it is consolidated and applied in accordance with the requirements of the consolidated contract and the provisions of section 10(c) of the said Act [42 U.S.C. 1410(c)];

(4) during the term of such agreement, the project shall be exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions;

(5) for the tax year in which the conveyance is made and the next succeeding tax year annual payments in lieu of taxes may be made to the State, city, county, or other political subdivisions in amounts not in excess of the real property taxes which would be paid to such State, city, county, or other political subdivisions if the project were not exempt from taxation; and thereafter, during the term of such agreement, payments in lieu of taxes with respect to the project may be made in annual amounts which do not exceed 10 per centum of the annual shelter rents charged in such project;

(6) in selecting tenants for such project, the public housing agency shall give such preferences as are prescribed by subsection 10(g) of the United States Housing Act of 1937 [42 U.S.C. 1410g], except that for one year after the date of conveyance of a project, the public housing agency shall, to the extent permitted by law, give such preferences, by allocation or otherwise, to military personnel as the Secretary of Defense or his designee prescribes to the public housing agency; and

(7) upon the occurrence of a substantial default in respect to the requirements and conditions to which the public housing agency is

subject (as such substantial default shall be defined in such agreement), the public housing agency shall be obligated at the option of the Secretary of Housing and Urban Development, either to convey title in any case where, in the determination of the Secretary of Housing and Urban Development, (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this subchapter and the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.], or to deliver possession to the Secretary of Housing and Urban Development of the project, as then constituted, to which such agreement relates: *Provided*, That in the event of such conveyance of title or delivery of possession, the Secretary of Housing and Urban Development may improve and administer such project as low-rent housing, and otherwise deal with such housing or parts thereof, subject, however, to the limitations contained in the applicable provisions of the United States Housing Act of 1937. The Secretary of Housing and Urban Development shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such agreement and as soon as practicable after the Secretary of Housing and Urban Development shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this subchapter and the United States Housing Act of 1937, thereafter be operated in accordance with the terms of such agreement. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Secretary of Housing and Urban Development pursuant to this paragraph upon the subsequent occurrence of a substantial default.

#### (d) Disposition of payments

At the end of each fiscal year, the total amount of payments during such year to the Secretary of Housing and Urban Development in accordance with subsection (c) of this section shall be covered into the Treasury as miscellaneous receipts.

(Oct. 14, 1940, ch. 862, title VI, § 606, as added June 28, 1948, ch. 688, § 7, as added Apr. 20, 1950, ch. 94, title II, § 201, 64 Stat. 59; amended by Ex. Ord. No. 10284, §§ 6, 7, eff. Sept. 4, 1951, 16 F.R. 8971; Ex. Ord. No. 10339, eff. Apr. 7, 1952, 17 F.R. 3012; Ex. Ord. No. 10425, eff. Jan. 16, 1953, 18 F.R. 405; Pub. L. 86-372, title VIII, § 807, Sept. 23, 1959, 73 Stat. 687; Pub. L. 89-174, § 5(a), Sept. 9, 1965, 79 Stat. 669; Pub. L. 93-383, title II, § 207, Aug. 22, 1974, 88 Stat. 669.)

#### REFERENCES IN TEXT

The United States Housing Act of 1937, referred to in subsecs. (a)(1), (b), and (c)(2), (3), (7), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93-383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653, which is classified generally to chapter 8 (§1437 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note under section 1437 of this title and Tables.

Subchapters III and VI of this chapter, referred to in subsec. (b), were comprised of sections 1531 to 1536 and 1571 to 1576, respectively, of this title and have been omitted from the Code. For further details, see note set out under section 1522 of this title.

Subsections 2(1) and 2(2) and section 10 of the United States Housing Act of 1937, referred to in subsec. (c)(1), (3), and (6), are references to sections 2 and 10 of the Act prior to the general revision of the Act by Pub. L. 93-383. The Act as so revised is classified to section 1437 et seq. of this title. Provisions of former sections 2 and 10 are covered by sections 3 and 5 of the Act which are classified to sections 1437a and 1437d of this title.

#### AMENDMENTS

1974—Subsec. (b). Pub. L. 93-383, § 207(a), struck out provisions relating to payment of capital grants or annual contributions to low-rent housing projects.

Subsec. (c)(1). Pub. L. 93-383, § 207(b), inserted provision relating to financing repair or rehabilitation of a project or part of project conveyed to public housing agency under this section.

1959—Subsec. (b). Pub. L. 86-372, § 807(1), provided that if any such project is consolidated under a single annual contributions contract with any low-rent project being assisted with annual contributions under United States Housing Act of 1937, payment of any annual contribution on account of any project so assisted shall not be deemed to be a capital grant or annual contribution with respect to any project conveyed hereunder.

Subsec. (c)(3). Pub. L. 86-372, § 807(2), inserted proviso making provisions of subsec. (c)(3) inapplicable to any project which is consolidated under a single contract with one or more low-rent projects being assisted under United States Housing Act of 1937, and permitting commingling of income from such project with funds of project or projects with which it is consolidated.

#### TRANSFER OF FUNCTIONS

For transfer of functions to Secretary of Housing and Urban Development, see note set out under section 1581 of this title.

#### EXECUTIVE ORDER NO. 10284

Ex. Ord. No. 10284, Sept. 4, 1951, extended time for request for conveyance of housing projects from Dec. 31, 1950, to Dec. 31, 1951, and extended time for entering agreements with Public Housing Administration from June 30, 1951, to June 30, 1952. See note set out under section 1589a of this title.

#### EXECUTIVE ORDER NO. 10339

Ex. Ord. No. 10339, Apr. 7, 1952, set out as a note under section 1589a of this title, extended time for request for conveyance of housing projects from Dec. 31, 1951, to Dec. 31, 1952, and extended time for entering agreements with Public Housing Administration from June 30, 1952, to June 30, 1953.

#### EXECUTIVE ORDER NO. 10425

Ex. Ord. No. 10425, Jan. 16, 1953, set out as a note under section 1589a of this title, extended time for request for conveyance of housing projects from Dec. 31, 1952, to June 30, 1953.

### § 1587. Disposition of other permanent war housing

#### (a) Public interest

The Secretary of Housing and Urban Development shall, subject to the provisions of this section, dispose of permanent war housing, other than housing conveyed pursuant to section 1586 of this title, as promptly as practicable and in the public interest.

#### (b) Preference in sales to individuals

Preference in the purchase of any dwelling structure designed for occupancy by not more