

[CHAPTER 896]

AN ACT

September 1, 1937

[S. 1685]

[Public, No. 412]

To provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

United States Housing Act of 1937.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Declaration of policy.

SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety, and morals of the citizens of the Nation.

Definitions.

DEFINITIONS

Sec. 2. When used in this Act—

“Low-rent housing.”

(1) The term “low-rent housing” means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net income at the time of admission does not exceed five¹ times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one.

“Families of low income.”

(2) The term “families of low income” means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

“Slum.”

(3) The term “slum” means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

“Slum clearance.”

(4) The term “slum clearance” means the demolition and removal of buildings from any slum area.

“Development.”

(5) The term “development” means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

“Administration.”

(6) The term “administration” means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

¹ So in original.

(7) The term "Federal project" means any project owned or administered by the Authority.

"Federal project."

(8) The term "acquisition cost" means the amount prudently required to be expended by a public housing agency in acquiring a low-rent-housing or slum-clearance project.

"Acquisition cost."

(9) The term "non-dwelling facilities" shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities).

"Non-dwelling facilities."

(10) The term "going Federal rate of interest" means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of ten years or more.

"Going Federal rate of interest."

(11) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

"Public housing agency."

(12) The term "State" includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"State."

(13) The term "Authority" means the United States Housing Authority created by section 3 of this Act.

"Authority."

UNITED STATES HOUSING AUTHORITY

United States Housing Authority.

SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

Corporate agency created.

(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of five years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

Administrator; powers, appointment, etc.

(c) The Administrator shall receive a salary of \$10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

Salary; engagement in other business.

SEC. 4. (a) The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be necessary for the proper performance of the duties of the Authority under this Act; except that without regard to the civil-service laws he may appoint such officers, attorneys and experts, and such employees whose compensation is in excess of \$1,980 per annum, as may be necessary to carry out the purposes of this Act.

Employees.
5 U. S. C. §§ 661-674.

(b) Appointment to positions made under the provisions of this Act the annual salary of which is in excess of \$7,500 per annum shall be subject to confirmation by the Senate.

Senate confirmation of certain appointments.

(c) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connec-

Voluntary services. Services, etc., of other agencies.

tion with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.

Transfer of housing
or slum-clearance
projects to Authority.

(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this Act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this Act.

Funds.

Principal office;
branches.

SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

General corporate
provisions.

(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

Seal.

(c) The Authority shall have an official seal, which shall be judicially noticed.

Franking privilege.

(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

Tax exemption pro-
vision.

(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

Expenditures au-
thorized.

SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this Act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

Contracts and pur-
chases.

R. S. § 3709.
41 U. S. C. § 5.

(b) The provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than \$300.

(c) The use of funds made available for the purposes of this Act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this Act shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act.

(d) No annual contribution, grant, or loan, and no contract for any annual contribution, grant, or loan, under this Act, shall be undertaken by the Authority except with the approval of the President.

SEC. 7. (a) The Authority may publish and disseminate information pertinent to the various aspects of housing.

(b) In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for, low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

LOANS FOR LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS

SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 per centum of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 per centum of the development or acquisition cost of such project. Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of one per centum, shall be secured in such manner, and shall be repaid within such period not exceeding sixty years, as may be deemed advisable by the Authority.

ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash or tax remissions, general or special, or tax exemptions, at least 20 per centum of the annual contributions herein provided. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing

Articles of American manufacture, etc. 47 Stat. 1520. 41 U. S. C. § 10a.

Provision concerning, in contracts. 47 Stat. 1520. 41 U. S. C. § 10b.

Approval of the President required.

Dissemination of information.

Annual report to Congress.

Rules and regulations.

Loans for low-rent-housing and slum-clearance projects. Maximum grants.

Annual contributions.

Interest.

Annual contributions in assistance of low rentals.

Provisions guaranteeing payment. *Proviso*. Elimination of unsafe or insanitary dwellings.

any annual contribution in connection with the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

Conditions imposed.

Deferment.

Extent of Federal contributions.

Regulations.

Provisions. Not to exceed annual yield, etc.

Payment of interest or principal.

Contribution contracts for periods exceeding 20 years.

Reexaminations.

Funds available for payment of annual contributions.

Contracts authorized.

(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the going Federal rate of interest at the time such contract is made plus 1 per centum, upon the development or acquisition cost of the low-rent housing or slum-clearance project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency.

(c) In case any contract for annual contributions is made for a period exceeding twenty years, the Authority shall reserve the right to reexamine the status of the low-rent-housing project involved at the end of ten years and every five years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding sixty years.

(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

(e) The Authority is authorized, on and after the date of the enactment of this Act, to enter into contracts which provide for annual contributions aggregating not more than \$5,000,000 per annum, on or after July 1, 1938, to enter into additional such contracts which provide for annual contributions aggregating not more than \$7,500,000 per annum, and on or after July 1, 1939, to enter into additional such contracts which provide for annual contributions aggregating not more than \$7,500,000 per annum. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the

Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

Federal obligations.

CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this Act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent-housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character: *Provided, however,* That no capital grant shall be made for the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

Capital grants in assistance of low rentals.

Proviso.
Condition.

(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent-housing or slum-clearance project, which shall in no case exceed 25 per centum of its development or acquisition cost.

Limitation on amount.

(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

Funds available.

Post, p. 898.

(d) The Authority is authorized, on or after the date of the enactment of this Act to make capital grants (pursuant to subsection (b) of this section) aggregating not more than \$10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than \$10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than \$10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

Limitation on authority to make grants.

(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent-housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided,* That such additional capital grant shall not exceed 15 per centum of the development cost of the low-rent-housing or slum-clearance project involved.

Allocation of funds to supplement grants.

Proviso.
Limitation.

(f) No capital grant pursuant to this section shall be made for any low-rent-housing or slum-clearance project unless the public housing agency receiving such capital grant shall also receive, from the State,

State, etc., contribution.

political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions) in an amount not less than 20 per centum of its development or acquisition cost.

DISPOSAL OF FEDERAL PROJECTS

Disposal of Federal projects.

SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent-housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

Authority to sell its Federal projects, etc.

(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

Sale to public housing agency only; consideration.

(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

Eligibility for loans. *Ante*, p. 891.

Leases to public housing agency.

(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the Act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303 b), shall not apply to any lease pursuant to this Act.

47 Stat. 412.
40 U. S. C. § 303b.

Rentals.

(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

GENERAL POWERS OF THE AUTHORITY

General powers of the Authority.

SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or otherwise acquire, and may administer, any low-rent-housing project which it previously owned or in connection with which it has made a loan pursuant to section 9, annual contributions pursuant to section 10, or capital grants pursuant to section 11.

(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

State civil and criminal jurisdiction.

(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

Ante, p. 890.

Payments in lieu of taxes.

(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

Insurance.

(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this Act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

Sale or exchange of property.

Borrowing authority.

SEC. 14. Subject to the specific limitations or standards in this Act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this Act. Any rule of law contrary to this provision shall be deemed inapplicable.

Contracts and agreements.

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved, it is hereby provided that—

Provisions for preserving low rentals, etc.

(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

Low-rent-housing projects.
Ante, p. 891.

(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in

Slum-clearance projects.

excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

Contracts for annual contributions, rights reserved by Authority.

(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

Insertion of other covenants in contracts.

(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided*, That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

Proviso.
Playground space.

Cost limitation, family dwelling units, etc.

(5) No contract for any loan, annual contribution, or capital grant made pursuant to this Act shall be entered into by the Authority with respect to any project hereafter initiated costing more than \$4,000 per family-dwelling-unit or more than \$1,000 per room (excluding land, demolition, and non-dwelling facilities); except that in any city the population of which exceeds 500,000 any such contract may be entered into with respect to a project hereafter initiated costing not to exceed \$5,000 per family-dwelling-unit or not to exceed \$1,250 per room (excluding land, demolition, and non-dwelling facilities), if in the opinion of the Authority such higher family-dwelling-unit cost or cost per room is justified by reason of higher costs of labor and materials and other construction costs. With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent-housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials, and economy will be promoted both in construction and administration, and (b) that the average construction cost of the dwelling units (excluding land, demolition, and non-dwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this Act.

Activities restricted.

Labor standards.

SEC. 16. In order to protect labor standards—

Contractors on public buildings.
49 Stat. 1011.
40 U. S. C., Supp. II, § 270a.
49 Stat. 793.
40 U. S. C., Supp. II, §§ 270a-d.

(1) The provisions of the Act of August 30, 1935, entitled "An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings" (49 Stat. 1011), and of the Act of August 24, 1935, entitled "An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work" (U. S. C., 1934 edition, Supp. II, title 40, secs. 270a to 270d, inclusive),

shall apply to contracts in connection with the development or administration of Federal projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the Act of August 30, 1935, and section 3 of the Act of August 24, 1935.

Provided.
Suits.
49 Stat. 1012, 794.

(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

Prevailing wages or fees.

(3) The Act entitled "An Act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes", as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of Federal projects.

Eight-hour work-day Act.
37 Stat. 137.
40 U. S. C. §§ 824, 325.

(4) The benefits of the Act entitled "An Act to provide compensation for employees of United States suffering injuries while in the performance of their duties, and for other purposes" (39 Stat. 742), shall extend to officers and employees of the Authority.

Injuries to Government employees.
39 Stat. 742.
5 U. S. C. §§ 751-793.

(5) The provisions of sections 1 and 2 of the Act of June 13, 1934 (U. S. C., 1934 edition, title 40, secs. 276b and 276c), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this Act.

Compensation on public works.
48 Stat. 948.
40 U. S. C. §§ 276b, c.

(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this Act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within five days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

Report of contractors.

FINANCIAL PROVISIONS

SEC. 17. The Authority shall have a capital stock of \$1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipts for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

Financial provisions.

Capital stock, subscription by United States.

SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$26,000,000 for the fiscal year ending June 30, 1938, of which \$1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this Act until expended.

Appropriation authorized.
Act, p. 772.

Availability.

SEC. 19. Any funds available under any Act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this Act.

Allocations.

Issuance of obligations.

SEC. 20. (a) The Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this Act. The Authority may issue such obligations in an amount not to exceed \$100,000,000 on or after the date of enactment of this Act, an additional amount not to exceed \$200,000,000 on or after July 1, 1938, and an additional amount not to exceed \$200,000,000 on or after July 1, 1939. Such obligations shall be in such forms and denominations, mature within such periods not exceeding sixty years from date of issue, bear such rates of interest not exceeding 4 per centum per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

Tax exemption.

(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

Guarantee by United States.

(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

Deemed lawful investments; security.

(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

Purchase, sale, etc.

40 Stat. 288.

Marketing.

(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

Deposits.

SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

Depositories, etc.

(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

Authority as financial agent of Government.

(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

Limitation on expenditure in any one State.

(d) Not more than 10 per centum of the funds provided for in this Act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

PENALTIES

SEC. 22. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

SEC. 23. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or make any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 24. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 25. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 26. No individual, association, partnership, or corporation shall use the words "United States Housing Authority", or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding \$1,000.

SEC. 27. Wherever the application of the provisions of this Act conflicts with the application of the provisions of Public Numbered 837, approved June 29, 1936 (49 Stat. 2025), Public Numbered 845, approved June 29, 1936 (49 Stat. 2035), or any other Act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this Act shall prevail.

SEC. 28. The President is hereby authorized to make available to The Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this Act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public Numbered 307, Seventy-third Congress). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

SEC. 29. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 30. This Act may be cited as the "United States Housing Act of 1937".

Approved, September 1, 1937.

Penalty provisions.

Application of general statutes.

False entries, etc.

Fraud, etc.

Interest in contract, etc.

Unlawful use of name.

Conflicting provisions; present Act to apply.
49 Stat. 2025, 2035.
40 U. S. C., Supp. II, §§ 421, 481.

Alley Dwelling Authority.
Administrative expenses.

48 Stat. 930.

Separability provision.

Short title.