

## [CHAPTER 338]

## AN ACT

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

July 15, 1949  
[S. 1070]  
[Public Law 171]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1949".*

Housing Act of 1949.

## DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective

hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

### LOANS

Redevelopment of  
project areas.

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

Provision of public  
buildings or facilities.

(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts

not exceeding the expenditures to be made for such purpose, bear interest as such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

Loans at lower interest rate.  
*Ante*, p. 414.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

Advances of funds.

(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

Notes and obligations.

Increase in loan authorization.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities 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 purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

40 Stat. 288.  
31 U. S. C. § 774 (2).  
*Post*, p. 668.

Taxation exemp-  
tion.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

### CAPITAL GRANTS

Restriction.

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

Limitation on capi-  
tal grants.

Increase in specified  
amounts.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

### REQUIREMENTS FOR LOCAL GRANTS-IN-AID

Post, p. 421.

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

### LOCAL DETERMINATIONS

Contract require-  
ments.

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing

body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.

(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

Temporary relocation of displaced families.

Restriction on demolition of residential structures.

Public hearing on land acquisition.

#### GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

Appointment of Director.

Budget program.

59 Stat. 597.  
31 U. S. C. § 841 *et seq.*; Supp. II, § 846 *et seq.*  
*Ante*, p. 356.  
Accounts.

Report to President  
and Congress.

Deposit of funds.

Availability.

*Ante*, p. 416.

Powers of Adminis-  
trator.

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

41 U. S. C. § 5.  
*Ante*, p. 403.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

Expenditure in any one State.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

50 Stat. 888.  
42 U. S. C. §§ 1401-1431; Supp. II, § 1402 *et seq.*  
*Post*, pp. 422-431.

#### SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

40 U. S. C. §§ 276a-276a-5; Supp. II, § 276a-5 note.

(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

18 U. S. C., Supp. II, § 874.  
*Ante*, p. 108.

(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title 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 month and 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.

Monthly report.

## DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"Redevelopment area."

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

"Redevelopment plan."

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"Project."

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

*Ante*, p. 416.

"Redevelopment."

*Ante*, p. 419.

"Local grants-in-aid."

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct



and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

"Gross project cost."

"Net project cost."

"Going Federal rate."

"Local public agency."

"Administrator."

## TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

SEC. 201. The National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "July 1, 1949" and inserting in lieu thereof "September 1, 1949";

(2) by striking out of the proviso in section 203 (a) "\$4,000,000,000" and inserting in lieu thereof "\$5,300,000,000" and by striking out of such proviso "\$5,000,000,000" and inserting in lieu thereof "\$5,500,000,000"; and

(3) by striking out of the second proviso in section 603 (a) "June 30, 1949" in each place where it appears therein and inserting in lieu thereof "August 31, 1949".

SEC. 202. This title shall take effect as of June 30, 1949.

48 Stat. 1246; 61 Stat. 182.  
12 U. S. C., Supp. II, § 1703 (a).  
*Post*, pp. 681, 905.  
48 Stat. 1248; 55 Stat. 365.  
12 U. S. C., Supp. II, § 1709 (a).  
*Post*, pp. 681, 905.  
55 Stat. 56.  
12 U. S. C., Supp. II, § 1738 (a).  
*Ante*, p. 29; *post*, pp. 681, 905.  
Effective date.

## TITLE III—LOW-RENT PUBLIC HOUSING

LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY  
LOW-INCOME FAMILIES

50 Stat. 395,  
42 U. S. C. § 1415;  
Supp. II, § 1415.  
*Post*, pp. 424, 427.

SEC. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

Preliminary loans.

"(a) The Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

Loans or annual contributions.

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

Maximum income limits.

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;

Investigations of families admitted to project.

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary,

or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

Family of veteran or serviceman.

“(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families’ housing needs; and

Nondiscrimination.

*Infra.*

“(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project.”

Reexaminations of net income.

#### VETERANS’ PREFERENCES

SEC. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

50 Stat. 891.  
42 U. S. C. § 1410.

“(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

“First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans’ Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans’ Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

Displaced families.

Families of disabled veterans.

“Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans’ Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans’ Administration to be service-connected.”

Families of other veterans.

50 Stat. 888.  
42 U. S. C. § 1402;  
Supp. II, § 1402.  
"Veteran."

"Serviceman."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918."

#### COST LIMITS

50 Stat. 896.  
42 U. S. C. § 1415 (5).

SEC. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

#### PRIVATE FINANCING

SEC. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

50 Stat. 892; 52 Stat.  
820.  
42 U. S. C. §§ 1410  
(b), (f).

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

50 Stat. 898.  
42 U. S. C. § 1421.

(b) The following is added after section 21:

#### "PRIVATE FINANCING

Post, p. 431.

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

“(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

“(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

Default in respect to covenants, etc.

“(2) the Authority 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 contract and as soon as practicable: (i) after the Authority 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 Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. 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 Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

“(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this Act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this Act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.”;

Continuance of annual contributions.

50 Stat. 896.  
42 U. S. C. § 1415 (3).

*Infra.*  
50 Stat. 892.  
42 U. S. C. § 1410 (c).

(c) In the fourth sentence of section 9 the words “going Federal rate at the time the loan is made,” are deleted; in the first proviso of subsection 10 (b) the words “going Federal rate of interest at the time such contract is made” are deleted; and in lieu thereof in each case

50 Stat. 891.  
42 U. S. C. § 1409.

50 Stat. 892.  
42 U. S. C. § 1410 (b).

50 Stat. 889.  
42 U. S. C. § 1402  
(10).  
"Going Federal  
rate."

there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum.";

50 Stat. 891.  
42 U. S. C. § 1409.  
*Ante*, p. 425.  
Loan periods.

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.";

Interest rate.

50 Stat. 892.  
42 U. S. C. § 1410 (c).  
Contracts for annual  
contributions.

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: "*Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.";

Fixed contribution.  
*Ante*, p. 425.

50 Stat. 892.  
42 U. S. C. § 1410 (c).  
Application of ex-  
cess receipts.

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.";

50 Stat. 895.  
42 U. S. C. § 1414.  
Amending or super-  
seding contract.

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.";

Restriction.

(h) Section 20 is amended to read as follows:

"Sec. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities 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 purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.";

(i) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."; and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

#### ANNUAL CONTRIBUTIONS

SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times

50 Stat. 898.  
42 U. S. C. § 1420.  
Notes and obligations.

Interest.

40 Stat. 288.  
31 U. S. C. § 774 (2).  
*Post*, p. 668.

50 Stat. 898.  
42 U. S. C. § 1402 (5).  
"Development."

"Development cost."

50 Stat. 895.  
42 U. S. C. § 1415;  
Supp. II, § 1415.  
*Ante* p. 422.  
Contract covering one or more than one project.

50 Stat. 892.  
42 U. S. C. § 1410 (e).  
Contract authorization for annual contributions.

Increase in amounts.

Projects in rural  
nonfarm areas.

Construction of  
dwelling units.

Construction with-  
out further authoriza-  
tion.

Construction in any  
fiscal year.

50 Stat. 891.  
42 U. S. C. § 1410  
(a).  
Post, p. 430.  
Requirement of tax-  
ation exemption.

Payments in lieu of  
taxes.

Contribution by  
State, etc.

Payments in lieu of  
taxes.

by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further*, That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year.”; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

“(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such 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, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i)



5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

50 Stat. 888.  
42 U. S. C. § 1402 (1).

#### TECHNICAL AMENDMENTS

SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

50 Stat. 888.  
42 U. S. C. § 1401.

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

50 Stat. 889.  
42 U. S. C. § 1402 (11).

(2) By adding the following new subsection to section 2:

50 Stat. 888.  
42 U. S. C. § 1402; Supp. II, § 1402.  
*Ante*, p. 424.  
"Initiated."

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

50 Stat. 890.  
42 U. S. C. § 1406.  
54 Stat. 681; 50 Stat. 888.  
42 U. S. C. §§ 1501-1505, 1401-1431; Supp. II, § 1402 *et seq.*

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall

include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted.”;

50 Stat. 891, 893.  
42 U. S. C. §§ 1410  
(a), 1411 (a).  
*Ante*, p. 428.

Agreement provid-  
ing for elimination of  
unsafe, etc., dwelling  
units.

Deferral.

Nonapplicability.

Acquisition of proj-  
ect by Authority.  
50 Stat. 894.  
42 U. S. C. § 1413 (a).  
*Ante*, p. 424.

50 Stat. 897.  
42 U. S. C. § 1416 (2).  
Payment of prevail-  
ing wages.

40 U. S. C. §§ 276a-  
276a-5; Supp. II,  
§ 276a-5 note.

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word “*Provided*” to a period; and by adding at the end of said subsection 10 (a) the following new sentence: “The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however*, That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further*, That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe, or sanitary housing available to families of low income: *And provided further*, That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project.”

(e) By amending the second sentence of subsection 13 (a) to read as follows: “The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition.”;

(f) By amending subsection 16 (2) to read as follows:

“(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages 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, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.”;

(g) By amending subsection 21 (d) to read as follows:

“(d) Not more than 10 per centum of the total annual amount of \$336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State.”; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

50 Stat. 898.  
42 U. S. C. § 1421 (d).  
Expenditure within  
any one State.

50 Stat. 899.  
42 U. S. C. §§ 1422-  
1430; Supp. II, §§ 1423-  
1426 note.

#### TITLE IV—HOUSING RESEARCH

SEC. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

“SEC. 301. The Housing and Home Finance Administrator shall—

“(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable

62 Stat. 1276.  
12 U. S. C., Supp. II,  
§§ 1701e, 1701f.  
Powers of Housing  
and Home Finance  
Administrator.

Research contracts.

18 Stat. 110.  
*Ante*, p. 407.

A availability of re-  
sults of research.

62 Stat. 1049.  
39 U. S. C., Supp. II,  
§ 321n.

and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

*Ante*, p. 422.

Reports to President and Congress.

“(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this Act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

Encouragement of local surveys.

“(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

Cooperation of Government departments and agencies.

“SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

Cooperation with industry, labor, States, etc.

“SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

62 Stat. 1284.  
12 U. S. C., Supp. II, § 1701c (b).  
Appropriation authorized.  
*Post*, pp. 644, 742, 871.  
Appointment of Director.

“SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.”

## TITLE V—FARM HOUSING

### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

Farmers Home Administration.

SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the “Secretary”) is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers

Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

"Farm."

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

Eligibility requirements.

#### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

*Ante*, p. 432.

(b) The instruments under which the loan is made and the security given shall—

Provisions of instruments, etc.

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained

in repair and that waste and exhaustion of the farm will be prevented.

#### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

*Ante*, p. 433.  
Annual contribu-  
tions.

Restriction on bene-  
fit by third party.

This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

#### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient

*Ante*, p. 433; *supra*.

and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

Limitations on amounts.

*Post*, p. 874.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

*Ante*, p. 434.

*Post*, pp. 439, 874.

#### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

*Ante*, pp. 432-434.

Reports to President  
and Congress.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

"Veteran."

"Deceased service-  
men."

SEC. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

Compensation.

Duties.

SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

Determination of  
housing, etc., stand-  
ards.

SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate



farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

Limitation on  
change in terms of  
lease, etc.

#### ADMINISTRATIVE PROVISIONS

SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

Powers of Secretary.

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

41 U. S. C. § 5.  
*Ante*, p. 403.

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

*Ante*, pp. 433-435.

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall

determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such Act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

12 U. S. C. §§ 1150-1150c; Supp. II, § 1150c note.

#### LOAN FUNDS

Notes and other obligations.

*Ante*, p. 435; *post*, p. 874.

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

40 Stat. 288.  
31 U. S. C. § 774 (2).  
*Post*, p. 668.

#### CONTRIBUTIONS

*Ante*, p. 434.

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

Appropriations authorized.  
*Post*, p. 874.

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section

503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

*Ante*, p. 434.

*Ante*, p. 434; *post*, p. 874.  
*Ante*, p. 435; *post*, p. 874.

## TITLE VI—MISCELLANEOUS PROVISIONS

### ADVISORY COMMITTEES

SEC. 601. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

62 Stat. 697, 698.  
18 U. S. C., Supp. II, §§ 281, 283, 284.  
*Ante*, pp. 90, 280.

### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment

12 U. S. C. § 24.  
*Ante*, p. 299.

Obligations of local public agency.

*Ante*, p. 421.

50 Stat. 888.  
42 U. S. C. §§ 1401-1431; Supp. II, § 1402 *et seq.*  
*Ante*, pp. 422-431.

*Ante*, p. 425.

which are requisite to provide for the payment when due of all installments of principal and interest on such obligations”.

12 U. S. C. § 84.

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

Nonapplicability of limitations.  
*Ante*, p. 421.  
50 Stat. 888.  
42 U. S. C. §§ 1401-1431; Supp. II, § 1402 *et seq.*  
*Ante*, pp. 422-431.

“(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose.”.

#### NATIONAL HOUSING COUNCIL

SEC. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

61 Stat. 575.

SEC. 604. (a) The second proviso in the paragraph under the heading “Federal Public Housing Authority” in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

62 Stat. 1184.

(b) The second proviso in the paragraph under the heading “Public Housing Administration” in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

62 Stat. 1190.

(c) The first proviso in the paragraph under the subheading “Public Housing Administration” in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

Compensation.

SEC. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

50 Stat. 888.  
42 U. S. C. §§ 1401-1431; Supp. II, § 1402 *et seq.*  
*Ante*, pp. 422-431.

SEC. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a)

a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

## CENSUS OF HOUSING

SEC. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

## NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

## DISTRICT OF COLUMBIA PARTICIPATION

SEC. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"Sec. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may

Conditions.

50 Stat. 888.  
42 U. S. C. §§ 1401-1431; Supp. II, § 1402 *et seq.*  
*Ante*, pp. 422-431.

50 Stat. 891.  
42 U. S. C. § 1409.  
*Ante*, pp. 425, 426.  
62 Stat. 1285.  
42 U. S. C., Supp. II, § 1432.

*Post*, pp. 463, 874.

46 Stat. 21.  
13 U. S. C. §§ 201-220.  
*Ante*, p. 406.

Acquisition of sites.

50 Stat. 888.  
42 U. S. C. §§ 1401-1431; Supp. II, § 1402 *et seq.*  
*Ante*, pp. 422-431.

*Ante*, pp. 414, 422.

60 Stat. 802.  
D. C. Code, Supp. VII, §§ 5-718, 5-719.

Financial assistance from Housing and Home Finance Administrator.  
60 Stat. 800.  
D. C. Code, Supp. VII, § 5-715.

*Ante*, p. 414.

<i>Ante</i> , p. 414.	be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.
Advances of funds.	“(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.
<i>Ante</i> , p. 414.	“(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.
Administrative expenses.	“(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.
Local grants-in-aid.	“(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.
<i>Ante</i> , pp. 420, 414.	“(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—
Cash payments of deficiencies.	“(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;
Appropriations authorized.	
Disposition of receipts.	
<i>Ante</i> , p. 414.	
<i>Ante</i> , p. 414.	

60 Stat. 791, 796, 794.  
D. C. Code, Supp.  
VII, §§ 5-702 (f), (k),  
5-706 (g), 5-705 (b) (2).

48 Stat. 930.  
D. C. Code §§ 5-103  
to 5-116; Supp. VII,  
§ 5-103 *et seq.*

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and for which no appropriation was made by the Congress."

#### ACT CONTROLLING

SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

#### SEPARABILITY

SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its

60 Stat. 794.  
D. C. Code, Supp.  
VII, § 5-705 (b) (2).

48 Stat. 930.  
D. C. Code §§ 5-103  
to 5-116; Supp. VII,  
§ 5-103 *et seq.*  
Transfer of real  
property.

60 Stat. 795.  
D. C. Code, Supp.  
VII, § 5-706 (a).

48 Stat. 930.  
D. C. Code §§ 5-103  
to 5-116; Supp. VII,  
§ 5-103 *et seq.*  
*Ante*, p. 419.

Authority of D. C.  
Redevelopment Land  
Agency.

*Ante*, p. 414.

*Ante*, p. 417.

operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

## GENERAL PROVISIONS

Persons engaging in strikes against or advocating overthrow of U. S. Government.

Affidavit.

Penalty.

SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Approved July 15, 1949.

[CHAPTER 340]

## AN ACT

To amend section 2680 of title 28, United States Code.

July 16, 1949  
[S. 1168]  
[Public Law 172]

Claims, Panama  
Railroad Company.  
62 Stat. 984.  
28 U. S. C., Supp.  
II, § 2680.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 2680 of title 28, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(m) Any claim arising from the activities of the Panama Railroad Company."

Approved July 16, 1949.

[CHAPTER 341]

## AN ACT

To provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

July 16, 1949  
[S. 1688]  
[Public Law 173]

Army Medical Service Corps.  
Rearrangement on promotion list.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, notwithstanding any other provision of law, upon the date of enactment of this Act the names of all Medical Service Corps promotion-list officers shall be rearranged on the Medical Service Corps promotion list so that