

The Commonwealth of Massachusetts

REPORT

OF THE

SPECIAL COMMITTEE

RELATIVE TO THE

HOUSING AUTHORITY LAW AND CREATING
REDEVELOPMENT AUTHORITIES

MARCH, 1952

The Commonwealth of Massachusetts

MEMBERS OF THE SPECIAL COMMITTEE.

Appointed by the President of the Senate.

Sen. ROBERT P. CAMPBELL of Medford, *Chairman.*

Sen. RALPH V. CLAMPIT of Springfield.

Sen. MAURICE A. DONAHUE of Holyoke.

Appointed by the Speaker of the House.

Rep. FRANCIS T. GALLAGHER of Everett, *Vice-Chairman.*

Rep. JOHN J. BEADES of Boston.

Rep. JOHN J. DWYER of Pittsfield.

Rep. WALTER J. SULLIVAN of Cambridge.

Rep. WILLIAM W. JENNESS of Quincy.

SAMUEL B. CINAMON of Boston, *Secretary.*

The Commonwealth of Massachusetts

SENATE ORDER NO. 748 AUTHORIZING A SPECIAL COMMITTEE TO STUDY HOUS- ING AUTHORITY LAW AND CREATING REDEVELOPMENT AUTHORITIES.

(Adopted in the House October 31, 1951; adopted in the Senate October 31, 1951.)

SENATE, August 28, 1951.

Ordered, That an unpaid special committee, to consist of three members of the senate to be designated by the president thereof and five members of the house of representatives to be designated by the speaker thereof, is hereby established for the purpose of making an investigation and study of the subject matter of current house document numbered 2423 and current senate document numbered 742, relative to the housing authority law and creating redevelopment authorities. Said committee may require by summons the attendance and testimony of witnesses and the production of books and papers, and may travel within and without the commonwealth. Said committee shall be provided with quarters in the state house or elsewhere and may expend for clerical and other services and expenses such sums as may be appropriated therefor. Said committee shall report to the general court the result of its investigation and study, and its recommendations, if any, together with drafts of legislation necessary to carry such recommendations into effect, by filing the same with the clerk of the senate not later than the first Wednesday of December in the current year.

The Commonwealth of Massachusetts

REPORT OF UNPAID SPECIAL COMMITTEE FOR THE PURPOSE OF THE INVESTIGATION AND STUDY OF THE SUBJECT MATTER CONTAINED IN 1951 HOUSE DOCUMENT 2423 AND SENATE DOCUMENT 742 RELATIVE TO HOUSING AUTHORITY LAW AND CREATING REDEVELOPMENT AUTHORITIES.

In conformity with Senate Order No. 748, your committee held hearings in Boston which were attended by various civic organizations and representatives of different housing authorities throughout the Commonwealth.

Under present law, sections 26JJ to 26MM of chapter 121, power to engage in land assembly and redevelopment projects is vested exclusively in local housing authorities.

There was testimony that in some cities and towns outside of Boston and particularly in Cambridge urban redevelopment under Public Law 171 of the 81st Congress and chapter 121 of the Massachusetts General Laws might be better carried out if separate authorities were created. In other words, some of these people felt that housing authorities should continue to build low-rent housing projects and projects under chapter 200 of the acts of 1947 and chapter 372 of the acts of 1946 and that a separate authority be set up for the purposes of slum clearance and urban redevelopment. On the other hand, many authorities, including but not limited to the Boston Housing Authority, whose urban redevelopment program, incidentally, is somewhat in advance of other authorities,

were of the opinion that no change in the law was needed with respect to this particular subject-matter. These authorities pointed out that slum clearance was an integral part of any land assembly and redevelopment project to the same extent that it is an integral part of a slum clearance and low-rent housing project.

The Boston Housing Authority also pointed out that it has already, with the consent of the Boston City Council and the Mayor, entered into contracts with the Housing and Home Finance Agency for financial assistance under Title I, Public Law 171 of the 81st Congress. Title I is that section of the federal law which applies to slum clearance and community development and redevelopment.

After due consideration of all the facts, the Committee is of the opinion that there is no need in Boston for the creation of a separate urban redevelopment authority, but that, however, in other cities and towns the creation of such authorities would do no harm and might achieve better results for the program as a whole. Accordingly, because of this, and bearing in mind the importance of local self-government, the Committee decided that optional legislation permitting each city and town to make its own decision should be enacted. It therefore recommends the following legislation set forth in Appendix A.

Your Committee also had under consideration the need and desirability of providing for relocation projects so called as set forth in Senate 228 and House 672. It found that, in order to enable the Commonwealth of Massachusetts and the various cities and towns and housing authorities therein to take advantage of financial assistance provided by the federal government under Public Law 171 of the 81st Congress, particularly with reference to slum clearance and urban redevelopment, there must be a feasible method for the temporary relocation for persons displaced by a project area. This is an absolute *must* under federal legislation, and unless this condition of the federal legislation is met, then no capital

grants would be available to the Commonwealth or any of the housing authorities located therein. Section 105 (c) of Public Law 171, 81st Congress is as follows: —

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

(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.

The Committee found that all other States along the Atlantic Seaboard and Middle West are moving forward with plans for slum clearance and rehabilitation of cities by means of Federal funds. For example, in the average decadent or dilapidated areas in Boston 50 per cent of the people displaced or to be displaced by either the construction of low rent housing or slum clearance projects were neither veterans of World War II or persons of low income.

Under chapter 121 of the General Laws and chapter 372 of the acts of 1946, public housing is provided for only these two categories. It would mean, therefore, that under present law one out of every two families displaced by slum clearance projects could not be housed.

The Committee is acutely aware of the present housing shortage and inability of persons to find homes. It likewise has knowledge of the urgency of clearing city slums, for these areas are a liability to the community as a whole in every sense.

Statistics in Boston, as in other cities, show that city

slums breed juvenile delinquency and crime and are at the center of social and family disorganization. The disease rate in these areas is inordinately high. The cost both to the individual and to government is immeasurable both in money and in morality. Failure to meet, as stated before, the provisions of section 105 (c) will mean that these much-needed federal funds would be diverted from our own Commonwealth and thus slums would remain with us.

There is at present in Boston and throughout the Commonwealth a major public works program in progress consisting in the main of the building of central arteries and new highways and approaches thereto. This means that many, many families through no fault of their own will be evicted. Because of the housing shortage they will not be able to find other homes within their economic reach. Families will be broken up and much harm will happen. Past experience has shown, particularly in the construction of the Mystic River bridge in Charlestown and Chelsea, and the overhead arteries and approach to the Sumner Tunnel in East Boston, that these much-needed public improvements have been held up for months at a time because of inability of persons being displaced by public improvements to locate new homes. The result has been costly in dollars and cents to the Commonwealth. The Committee, therefore, is of the opinion that legislation is needed to provide temporary homes in permanent buildings for people displaced either by a slum clearance program or by a low-rent housing program, or by any public improvement. To make the law effectual certain limitations are proposed both as to the number of units to be constructed and as to the occupancy of such units. An analysis of the present housing market and the Public Works program contemplated by the Commonwealth and various cities and towns, as well as the slum clearance program and low-rent housing programs of various local authorities indicates that some 4,000 units will be needed throughout the Common-

wealth. It was likewise found that the average cost per unit would be in the vicinity of \$12,500. The Committee, therefore, felt that the total guarantee of the Commonwealth should be limited to \$50,000,000.

The Committee also felt that no project in any city or town should be approved for a number of dwelling units in excess of 50 per cent of the number of families to be displaced by a slum clearance program or public improvement. This limitation would, in effect, make supply comply with demand.

The Committee also felt that relocation projects should be confined to either vacant land or to the acquisition of buildings, provided no demolition was involved. The purpose of this limitation was to insure that the building of relocation projects would not involve the displacement of any families and thus defeat the very purpose of the bill.

As stated before, under present law veterans of World War II and persons of low income can be housed. It was, therefore, felt that no economic limitation should be placed on tenants as is now contained in section 26FF of chapter 121 of the General Laws:

Section 26FF. In the operation or management of low-rent housing projects an authority shall at all times observe the following requirements with respect to rentals and tenant selection: (a) It shall rent or lease the dwelling accommodations therein only at rentals within the financial reach of laborers and wage earners of low income. (b) It shall rent or lease to a tenant dwelling accommodations consisting of the least number of rooms which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding. (c) It shall not accept as a tenant any person or persons whose net annual income at the time of admission, less an exemption of one hundred dollars for each minor member of the family other than the head of the family and his spouse, exceeds 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 person or persons. For the sole purpose of determining eligibility for continued occupancy, it 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 (1) one hundred dollars, or (2) 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 twenty-one years of age.

Tenant eligibility, however, should be limited to persons displaced by a public improvement without regard to income.

The Committee felt that these projects could and should be under present market conditions self-sustaining; that the rents therefor should be economic ones and the only subsidy, if any, should be freedom from taxation for the emergency period.

Because of the basic intent of the bill to provide temporary housing for persons displaced as stated before, your Committee felt that the provisions of the present law relating to summary process and stay of executions should not apply to these projects. In like manner and for the same reasons, the Committee felt that occupancy in such projects should be limited to a period no greater than eighteen months. This would, in effect, then make these projects revolving ones and as soon as a family had located another place in which to live that family would vacate and another family displaced by another public improvement would be housed. This would mean that, although the law would permit the maximum construction of 4,000 units throughout the Commonwealth, many more families would be housed because of the temporary nature of the tenancy.

Finally, the Committee was of the opinion that in view of the nation-wide housing shortage and in view of the present economic market with reference to housing, this law should be limited in its applicability to a five-year period and no more, and that at the end of such period the housing constructed under it should be disposed of with the approval of the State Board of Housing. To achieve the results sought, the Committee therefore recommends the passage of the legislation contained in Appendix A.

The proposed legislation contained in Appendix A combines House, No. 672 of Representative John J. Beades

of Boston, with Senate, No. 228 of Senator John F. Collins and recommendations of the Massachusetts Federation of Labor. The committee felt that there was great merit in both of the aforementioned bills and it has incorporated them in the proposed legislation.

Respectfully submitted,

ROBERT P. CAMPBELL,
Chairman.

RALPH V. CLAMPIT.
MAURICE A. DONAHUE.
FRANCIS T. GALLAGHER,
Vice-Chairman.

JOHN J. BEADES.
JOHN J. DWYER.
WALTER J. SULLIVAN.
WILLIAM W. JENNESS.

PROPOSED LEGISLATION.

APPENDIX A.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Two.

AN ACT RELATIVE TO THE HOUSING AUTHORITY LAW AND
CREATING REDEVELOPMENT AUTHORITIES.

1 *Whereas*, There exist in cities and towns of this
2 commonwealth decadent areas which are a menace
3 to the public health and safety and which require
4 redevelopment by redevelopment authorities created
5 by this act; and

6 *Whereas*, The redevelopment of such decadent
7 areas cannot be carried out during a time of housing
8 shortage in a city or town without the provision of
9 relocation housing accommodations for families who
10 will be displaced by such public improvement and
11 find themselves homeless through no fault of theirs;
12 therefore, it is hereby declared to be an emergency
13 law, necessary for the immediate preservation of the
14 public health, safety and convenience.

*Be it enacted by the Senate and House of Representatives
in General Court assembled, and by the authority of the
same, as follows:*

1 SECTION 1. Section 26I of chapter 121 of the
2 General Laws, as most recently amended by section 1

3 of chapter 200 of the acts of 1948, is hereby further
4 amended by striking out, in line 3, the word “thirty-
5 four” and inserting in place thereof the word: —
6 thirty-six, — so as to read as follows: — *Section 26I.*
7 *Designation as Housing Authority Law.* — This sec-
8 tion and the thirty-six following sections shall be
9 known and may be cited as the housing authority
10 law.

1 SECTION 2. Section 26J of said chapter 121 of the
2 General Laws, as amended, is hereby further amended
3 by striking out the paragraph defining “Housing
4 Authority” or “authority”, as appearing in section 1
5 of chapter 574 of the acts of 1946, and inserting in
6 place thereof the following: —

7 “Housing Authority”, a public body politic and
8 corporate, created pursuant to section twenty-six K
9 or corresponding provisions of earlier laws.



1 SECTION 3. Said section 26J of said chapter 121
2 of the General Laws is hereby further amended by
3 inserting after the paragraph defining “Land As-
4 sembly and Redevelopment Plan”, as so appearing,
5 the following two paragraphs: —

6 “Redevelopment authority”, a public body politic
7 and corporate created pursuant to section twenty-
8 six QQ.

9 “Relocation project”, any work or undertaking
10 for the provision of decent, safe and sanitary dwell-
11 ings for persons or families displaced by the making
12 of any land assembly and redevelopment project or
13 other public improvement by the commonwealth or
14 any city, town or other body politic and corporate
15 of the commonwealth.

1 SECTION 4. Said chapter 121 is hereby further
2 amended by striking out section 26QQ and its cap-
3 tion, inserted by section 3 of chapter 200 of the
4 acts of 1948, and inserting in place thereof, under
5 the caption PART VI. REDEVELOPMENT AUTHORITIES,
6 the following new section:—

7 *Section 26QQ. Organization of Redevelopment Au-*
8 *thorities.*— There is hereby created in each city and
9 town in the commonwealth, except Boston, a public
10 body politic and corporate to be known as the
11 “Redevelopment Authority” of such city or town;
12 provided, that no such authority shall transact any
13 business or exercise any powers until the need for
14 such an authority has been determined, the housing
15 authority, if any, in such city or town has given its
16 consent, and a certificate of organization has been
17 issued to it by the state secretary, all as hereinafter
18 provided.

19 If the city council of a city, except Boston, with
20 the approval of the mayor, or, in a city operating
21 under Plan E charter, of the city manager, or a town,
22 at an annual town meeting or a special town meeting
23 called for the purpose, shall determine that there is
24 a need for a redevelopment authority in such city or
25 town for the purpose of engaging in land assembly
26 and redevelopment projects, and that it is in the
27 public interest that such an authority be organized
28 in such city or town, and the housing authority, if
29 any, in such city or town gives its consent, a re-
30 development authority shall be organized in such
31 city or town, and its members shall be appointed and
32 a certificate of organization shall be issued, in the
33 same manner as is provided by law in the case of a
34 housing authority. Thereafter, such redevelopment

35 authority and the members thereof shall have the
36 same functions, rights, powers, privileges and im-
37 munities and be subject to the same duties, limita-
38 tions and obligations as is provided by law in the
39 case of a housing authority and the members thereof
40 in carrying out land assembly and redevelopment
41 projects and all the provisions of law applicable to
42 housing authorities in cities and towns, and the
43 members thereof with respect to land assembly and
44 redevelopment projects shall be applicable to re-
45 development authorities and the members thereof;
46 and the power to initiate land assembly and redevel-
47 opment projects in such city or town shall thereafter
48 be vested solely in the redevelopment authority
49 therein.

50 A city or town in which a redevelopment authority
51 has been organized pursuant to this section shall
52 have the same rights and powers to co-operate with
53 and assist such authority with respect to land as-
54 sembly and redevelopment projects that cities and
55 towns have for the purpose of co-operating with and
56 assisting housing authorities with respect to land
57 assembly and redevelopment projects within their
58 respective limits.

59 The provisions of section twenty-six HH shall be
60 applicable to bonds, notes and certificates of indebt-
61 edness of redevelopment authorities, and the bonds,
62 notes and certificates of indebtedness of such authori-
63 ties shall have the same exemptions from taxation
64 with respect to principal and income and shall be
65 legal investments for the same institutions and for
66 the same funds as is provided in said section twenty-
67 six HH in the case of bonds, notes and certificates
68 of indebtedness of housing authorities.

69 A housing authority in a city or town which has
70 initiated a land assembly and redevelopment project
71 may complete, operate and maintain such project
72 notwithstanding the organization of a redevelopment
73 authority in such city or town. Such redevelopment
74 authority may, however, with the consent of the
75 city council of such city or the selectmen of such
76 town, pursuant to an agreement with the housing
77 authority of such city or town, take over a planned
78 or existing land assembly and redevelopment project
79 instituted by such housing authority, and assume,
80 exercise, continue, perform and carry out all under-
81 takings, obligations, duties, rights, powers, plans and
82 activities of such housing authority relating to such
83 project, and thereafter such housing authority shall
84 have no powers and duties with respect to such proj-
85 ect; provided, that no such action shall be taken if
86 there are outstanding any bonds, notes or certificates
87 of indebtedness of such housing authority issued on
88 account of such project, unless all holders of such
89 bonds, notes and certificates of indebtedness have
90 previously consented in writing to such action.

1 SECTION 5. Section 26P of said chapter 121 of
2 the General Laws is hereby further amended by in-
3 serting after the words, "to co-operate with the fed-
4 eral government in any clearance, land assembly and
5 redevelopment or housing project", in paragraph (b)
6 of said section the phrase:— to undertake and pro-
7 vide relocation projects, to house for a limited period
8 families not otherwise eligible for public housing who
9 are displaced by a land assembly and redevelopment
10 project or other public improvement involving the
11 demolition of dwelling units whenever such a land

12 assembly and redevelopment project or other public
13 improvement is determined upon and it or a redevelop-
14 opment authority finds that there exists in the city
15 or town an acute shortage of housing and there are
16 no adequate means available for immediate reloca-
17 tion of persons and families displaced from the proj-
18 ect area, — so that said section (b) would read as
19 follows: — (b) To determine what area within its
20 jurisdiction constitutes substandard or decadent
21 areas and to prepare plans for the clearance thereof;
22 to provide housing projects for families of low in-
23 come; to engage in land assembly and redevelop-
24 ment projects; to provide housing for families of
25 low income in rural areas in accordance with the
26 provisions set forth in section twenty-six II; to take
27 by eminent domain under chapter seventy-nine or
28 chapter eighty A, or to purchase or lease, or to ac-
29 quire by gift, bequest or grant, and hold any property
30 real or personal, or any interest therein, found by it
31 to be necessary or reasonably required to carry out
32 the purposes of the housing authority law, or any of
33 its sections, and to sell, exchange, transfer or assign
34 the same; provided, that in case of taking by emi-
35 nent domain under said chapter seventy-nine, the
36 provisions of section forty of said chapter shall be
37 applicable, except that the security therein required
38 shall be deposited with the mayor of the city or the
39 selectmen of the town in which the property to be
40 taken is situated; to clear and improve any prop-
41 erty so acquired; to engage in or contract for the
42 construction, reconstruction, alteration, remodeling
43 or repair of any clearance or housing project or parts
44 thereof; to act as agent of, or to co-operate with the
45 federal government in any clearance, land assembly

46 and redevelopment or housing project, to undertake
47 and provide relocation projects in order to house for
48 a limited period families not otherwise eligible for
49 public housing who are displaced by a land assembly
50 and redevelopment project or other public improve-
51 ment involving the demolition of dwelling units
52 whenever such a land assembly and redevelopment
53 project or other public improvement is determined
54 upon and it or a redevelopment authority finds that
55 there exists in the city or town an acute shortage of
56 housing and there are no adequate means available
57 for immediate relocation of persons and families dis-
58 placed from the project area; to lease, to operate
59 and, subject to the limitations set forth in section
60 twenty-six FF, to establish or revise schedules of
61 rents for any such projects or part thereof undertaken
62 by it; to borrow money as hereafter provided upon
63 the security of its bonds, notes or other evidences of
64 indebtedness and to secure the same by mortgages
65 upon property held or to be held by it or by pledge
66 of its revenue, including grants or contributions by
67 the federal government, or in any other lawful man-
68 ner and in connection with the incurrence of any
69 indebtedness to covenant that it shall not thereafter
70 mortgage the whole or any specified part of its prop-
71 erty or pledge the whole or any specified part of its
72 revenues; to invest in securities legal for the in-
73 vestment of funds of savings banks any funds held
74 by it and not required for immediate disbursement;
75 to enter into, execute and carry out contracts with
76 any urban redevelopment corporation organized
77 under section three of chapter one hundred and
78 twenty-one A for the purchase, sale, lease or ex-
79 change of property; to enter into, execute and carry

80 out contracts, including contracts with the federal
81 government and all other instruments necessary or
82 convenient to the exercise of the powers granted in
83 the housing authority law; and to make, and from
84 time to time to amend or repeal by-laws, rules and
85 regulations to carry into effect its powers and pur-
86 poses under the housing authority law; provided,
87 that the same are not inconsistent with the housing
88 authority law or with the pertinent rules and regu-
89 lations of the housing board or with law.

1 SECTION 6. Said chapter 121 of the General Laws
2 is hereby further amended by inserting after section
3 26QQ, as appearing in section 4 of this act, the fol-
4 lowing new section: —

5 *Section 26RR. Contracts for State Financial Assist-*
6 *ance.* — For the purpose of avoiding, so far as prac-
7 ticable, during the period of public exigency, emer-
8 gency and distress now existing on account of the
9 acute shortage of housing in many cities and towns
10 of the commonwealth, the making of persons or
11 families homeless as the result of the demolition of
12 dwelling units on land acquired or to be acquired for
13 the purposes of a land assembly and redevelopment
14 project or any other public improvement by the com-
15 monwealth, a city or town, or any other public body
16 the commonwealth acting by and through the board
17 may enter into a contract or contracts with a housing
18 authority, or in the event a redevelopment authority
19 exists within a city or town with a housing authority
20 upon request of a redevelopment authority, for state
21 financial assistance in the form of a guarantee by the
22 commonwealth of notes and/or bonds, of the hous-
23 ing authority issued to finance the cost of a relocation

24 project or projects. The guarantee by the common-
25 wealth of the notes and/or bonds of a housing
26 authority shall be executed on each note and/or
27 bond by the chairman of the state housing board;
28 provided, however, that the total amount guaranteed
29 shall not exceed fifty million dollars or the actual
30 cost of the construction of four thousand units,
31 whichever amount is the lesser. Each such contract
32 shall contain such limitations as to the development
33 cost of the project and administrative and main-
34 tenance costs, as the board may require. Each
35 project shall be based upon a separate application
36 made to the board, which shall include such evidence
37 of need as the board may require including a state-
38 ment that the local planning board has been informed
39 as to the location and number of dwelling units of
40 the proposed project. The board shall ascertain and
41 certify the need for each project after determining
42 that there exists in such city or town and its vicinity
43 a period of public exigency, emergency and distress
44 occasioned by an acute shortage of housing; pro-
45 vided, that the board may not approve a project or
46 projects in any city or town for a number of dwelling
47 units in excess of fifty per cent of the number of
48 families to be displaced by a land assembly or rede-
49 velopment project or other public improvement
50 which the board finds cannot be carried out without
51 the provisions of such relocation housing. A project
52 constructed under this section shall be deemed to
53 provide adequate performance as set forth in section
54 three J of chapter one hundred and forty-three.

55 At such time as the board shall determine that such
56 acute shortage of housing for displaced persons con-
57 stituting a public exigency, emergency or distress

58 no longer exists, or in any event not later than five
59 years from the date on which this act becomes
60 effective, any relocation project acquired, con-
61 structed, moved or rehabilitated shall be offered for
62 sale at its fair market value and disposed of as soon
63 as is consistent with sound business judgment; pro-
64 vided, that no such sale shall be made unless ap-
65 proved by the board. If the proceeds of the sale
66 of such a project are in excess of the total of all
67 obligations of the housing authority with respect to
68 such project such excess shall, after the payment of
69 all notes, bonds and other outstanding obligations
70 issued by the housing authority to finance the cost
71 of such project, be paid to the city or town in which
72 such project is located.

73 The provisions of section twenty-six L to twenty-
74 six PP, except sections twenty-six FF and twenty-
75 six GG, shall, as far as apt, be applicable to projects
76 developed under this section and to housing author-
77 ities while engaged in developing and administering
78 such projects; provided, that whenever the phrase,
79 "federal legislation" is used in said sections twenty-
80 six L to twenty-six PP it shall also include legislation
81 in respect to a relocation project under this section;
82 and provided, further, that the limitations on the
83 powers of a housing authority with respect to
84 "families of low income" found in sections twenty-
85 six P and twenty-six FF of chapter one hundred and
86 twenty-one of the General Laws shall not apply to
87 relocation projects. An authority shall not acquire
88 land for the site of a relocation project by eminent
89 domain under chapter seventy-nine or chapter
90 eighty A, or by purchase, gift or otherwise, unless
91 such land is entirely or almost entirely unoccupied

92 by inhabited dwellings; provided, however, that an
93 authority may acquire a completed dwelling or a
94 group of dwellings for a relocation project if the
95 acquisition of such does not involve their demolition.
96 The total number of dwelling units to be created in
97 any one city or town in connection with relocation
98 projects, for which state assistance may be granted,
99 shall not exceed two per cent of the total of dwelling
100 units in such city or town as reported by the United
101 States census of nineteen hundred and forty. The
102 following provisions shall be applicable to each con-
103 tract for state financial assistance under this section
104 and section twenty-six OO.

105 (a) A housing authority may sell temporary notes
106 and/or bonds to finance a relocation project; pro-
107 vided, that the total amount outstanding at any one
108 time, exclusive of any notes and/or bonds which
109 may be issued for refunding purposes shall not be in
110 excess of the cost of the project as approved by the
111 board. Any such notes or bonds may be refunded
112 through the sale of similar notes or bonds, but in no
113 event for a term more than as determined by the
114 board. Notwithstanding the provisions of section
115 twenty-six W, the payment of the principal of, and
116 interest on, all such notes and/or bonds shall be
117 guaranteed by the commonwealth and the full
118 faith and credit of the commonwealth is hereby
119 pledged for any such guarantee. No housing au-
120 thority shall sell or offer for sale any such notes or
121 bonds without receiving from the board approval
122 of the amount, the term and the time of sale. The
123 net income of the project, after operating charges
124 and expenses as approved by the board, shall be
125 applied annually in reduction of the outstanding

126 indebtedness of the housing authority in relation
127 to the projects. In case any funds become available
128 for the payment of any bonds, notes or other obli-
129 gations issued or incurred in connection with a re-
130 location project before such obligations are due, and
131 the holders of any such obligations are not willing
132 to accept present payment thereof, such funds shall
133 be held by the authority until such obligations are
134 due and then applied to the payment thereof, and
135 in the meantime shall be invested only in securities
136 legal for the investment of funds of savings banks.

137 (b) Upon the completion or acquisition of a project
138 by a housing authority, it shall be maintained and
139 operated by such authority. In the operation or
140 management of relocation projects, an authority
141 shall at all times observe the following requirements
142 with respect to rentals and tenant selection: —

143 (1) It shall rent to a tenant dwelling accommoda-
144 tions consisting of the least number of rooms which
145 it deems necessary to provide safe and sanitary
146 accommodations to the proposed occupants thereof
147 without overcrowding, in accordance with a rent
148 schedule approved by the board. Such rent schedule
149 shall be arranged so as to be sufficient, in the opinion
150 of the board, to pay all of the costs of maintaining
151 and operating the project, including a reasonable
152 allowance for depreciation, and may, in the discre-
153 tion of the board, be sufficient so as also to include
154 each year an allowance for the amortization of all or
155 part of the cost of acquiring and constructing the
156 project not otherwise provided for.

157 (2) It shall accept as tenants only persons or
158 families who occupied dwellings eliminated by
159 demolition, condemnation and effective closing as

160 part of any public improvement or land assembly
161 and redevelopment project made by the common-
162 wealth, a city or town or other body politic and
163 corporate.

164 (3) In any action to recover possession of premises
165 occupied in a relocation project, the provisions of
166 sections twelve and thirteen of chapter one hundred
167 and eighty-six of the General Laws, and section nine
168 of chapter two hundred and thirty-nine of the Gen-
169 eral Laws, as amended, shall not apply. No person
170 or family shall be allowed to remain in occupancy in
171 a relocation project for a period greater than eighteen
172 months.

1 SECTION 7. Said chapter 121 of the General Laws
2 is hereby further amended by inserting after section
3 26RR, as appearing in section 5 of this act, the fol-
4 lowing new section:—

5 *Section SS.* The provisions of section twenty-six I
6 to twenty-six PP, inclusive, are hereby declared to
7 be severable and if any such provision or the appli-
8 cation of such provision to any person or circum-
9 stances shall be held to be invalid or unconstitutional,
10 such invalidity or unconstitutionality shall not be
11 construed to affect the validity or constitutionality
12 of any of the remaining provisions of said sections
13 or the application of such provisions to persons or
14 circumstances other than those as to which it is held
15 invalid. It is hereby declared to be the legislative
16 intent that said sections would have been adopted
17 had such invalid or unconstitutional provisions not
18 been included therein.