
AN ACT

To create a Truk Housing Authority, and for other purposes.

Be it enacted by the Legislature of Truk State.

Section 1. Truk Housing Authority. There is hereby created in the state the Truk Housing Authority, hereinafter referred to as Authority.

Section 2. Board of Directors.

(1) All powers vested in the Authority shall be exercised by the Board of Directors hereinafter referred to as Board which shall consist of five members, called Directors. The Governor shall appoint the Directors with the advice and consent of the Legislature. Persons appointed shall hold membership on the Board for a period of four years, subject to reappointment, and until their successors have been appointed and qualified; Provided, however, that the first appointments made under the provisions of this Section shall be made as follows:

Two members for a period of four years;

One member for a period of three years;

One member for a period of two years; and

One member for a period of one year.

PROVIDED, further that appointments to fill vacancies on the Board shall be for the unexpired term of the member who vacated the seat.

(2) The State Director of Public Works, the State Finance Officer and State Planning Officer shall be ex officio, nonvoting members of the Board. Any director may be removed from the Board by the Governor for inefficiency, neglect of duty, or misconduct in office.

(3) The Board shall elect from among its members a chairman, a vice-chairman, and a secretary. The State Finance Officer shall serve as Treasurer of the Board unless the Board employs a full-time Treasurer. The Governor shall designate a member to serve as temporary chairman of the Board until such time as the Board shall elect a chairman. The Planning Officer shall act as a technical adviser to the Board. Officers of the Board shall hold office for such terms and shall have such duties as the Board shall by bylaws specify.

(4) Directors shall receive no compensation for their services, but shall be entitled to per diem at standard FSM rates and reimbursement for travel costs when engaged in the business of the Authority.

(5) The Board shall meet not less than once each calendar quarter, and may hold such additional meetings as it deems necessary and appropriate.

(6) The Board shall appoint an executive directors, who shall not be a member of the Board. The Executive Director shall submit to the Board an annual budget for its approval, which budget shall include provisions for the expenditures of all salaries and logistical support incurred by the Authority during the fiscal year to which the budget applies. The Executive Director shall, subject to the approval of the Board, have the power to hire and fire all employees of the Authority. Employees of the Authority shall be subject to the same laws, rules and regulations applicable to employees of the State Government.

(7) The State Government shall provide such office space as may be required by the Authority and shall provide logistical and administrative support as may be required by the Authority within the limits of availability.

Section 3. Powers and Duties of the Authority. The powers and duties of the Authority shall include, but not limited to the following:

- (1) Administer Low-cost Housing Loan Program.
- (2) Sue and be sued in its own name; be represented by the State Attorney General in such suits; and have a seal and modify it.
- (3) (a) Make loans or guarantee loans to individuals, groups, or associations to assist in the construction of low-cost housing in the State. Such loans shall bear interest at such rate as may be established by regulation, but at no time shall such rate be more than 4½ percent a year on loans made from international, federal or territorial grant, loan or subsidy funds, nor more than the prevailing prime interest rate on loans made from funds borrowed by the Authority from commercial financial institutions, nor shall loans be guaranteed which bear interest at a rate greater than one percent a year below the prime interest rate offered by commercial financial institutions that may issue such loans, nor shall any loan be granted or guaranteed in excess of such amount as may be approved by the Board of Directors.

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- (b) Loan made by the Authority shall be subject to the prior approval of the Board of Directors, and shall be made in the form and shall be secured as provided in the regulations issued under the provisions of this Act; PROVIDED, HOWEVER, that the Authority shall by regulation establish income limits, adjusted by household size, beyond which no loan may be granted, such limits to be devised to insure maximum participation in the housing program by low-income families; AND PROVIDED FURTHER, that no loan shall be granted or guaranteed for the construction of any housing unit in excess of ninety percent of the value of the land and buildings involved; AND PROVIDED FURTHER, that loans shall not be granted to pay or repay prior indebtedness on lands and buildings; AND PROVIDED FURTHER, that applicants for loans may contribute their equity in the form of land, building material, cash, or labor.
- (4) Be exempt from all licensing requirements and taxation.
- (5) Enter into and execute contracts and instruments of every kind and nature, necessary or convenient to the exercise of its powers and functions.
- (6) Make, and from time to time, modify and repeal, bylaws and regulations, not inconsistent with this Act, providing for the internal organization and management for the administration of its affairs and operations, and for carrying out the powers and duties granted and imposed by law.
- (7) Borrow money from public and private sources, and give such security therefor as may be required.
- (8) Apply for and accept advances, loans, grants, contributions, gifts, donations, appropriations of funds and any other form of financial assistance and enter into and carry out contracts in connection therewith; PROVIDED, that the Authority shall not have the power to apply for or accept advances, loans, grants, contributions, gifts, donations, appropriations or other financial assistance from the Executive Branch of the Trust Territory Government or from United States federal agencies, except through the High Commissioner or his designee.
- (9) Deposit funds in banking institutions whose deposits are guaranteed by the Trust Territory Government or FSM Government.
- (10) Invest funds in property or securities approved for investment by the State Government
- (11) Acquire any real or personal property, or any interest or estate

therein, by lease, option, purchase, gift, grant, donation, bequest or devise and own, hold improve, clear, to prepare for development any such property.

(12) Sell, lease, exchange, transfer, assign, mortgage, pledge, or otherwise dispose of, encumber, any real or personal property, or any interest or estate in such.

(13) Build, construct, manage, operate and maintain housing projects for low-income families, and install, construct, and reconstruct streets, utilities, parks, playgrounds and other public improvements.

(14) Insure, or provide for the insurance, in any stock or mutual company or any public or private insurance facility approved by the State Government, of any real or personal property or operations, against any risks and hazards.

(15) Undertake and carry out studies, analyses, research, and investigations of living and housing conditions; determine where overcrowded and blighted conditions exist, where there is a shortage of safe, decent, and sanitary dwellings for low-income families; make findings, determinations, and recommendations as to means and methods of dealing with such matters; carry into effect such findings, determinations, ^{and recommendations} make available to the public the results of such studies and information.

(16) Make or have made all plans necessary to the carrying out of the purposes of this Act and include in such plans, without limitations, (a) plans for construction of housing for low-income families, (b) plans for carrying out a program of voluntary repair and rehabilitations of buildings and improvements, (c) plans for the enforcement of local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and other improvements and to the repair, rehabilitation, demolition, or removal of buildings.

(17) Develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of overcrowded areas and community blight.

(18) Lease any dwellings, accommodations, land, structures, or facilities embraced in any project.

(19) Clear or prepare any property owned by it for conservation or rehabilitation.

(20) Establish from time to time standards of eligibility, rules, regulations and conditions of admission to, and occupancy of, housing, accommodations for low-income families in dwellings and facilities, including rents and charges therefor, in the manner which is or may be provided by the adoption of rules and regulations.

(21) Make such expenditures, subject to the provisions of this Act or any other applicable law, regulation or restriction, as may be necessary for the activities and operations to carry out the purposes of this Act.

(22) Conduct examinations and investigations on any matters material to the functions or operations of the Housing Program.

(23) Have the same free use of Government pouch mail, communication facilities, and procurement services as other departments and activities of the State Government.

Section 4. Housing Programs for Low-Income Families.

(1) The Authority in carrying out a program of housing for low-income families shall construct, manage, and operate housing projects established for low-income families in the most economical and efficient manner, consistent with applicable requirements, so as to enable the Authority to fix rentals or charges for dwelling accommodations at low rents, in consonance with the purpose of providing safe, decent, and sanitary housing for families and individuals of low income, and shall not operate such housing projects for profit or as a source of revenue to the Authority or the government of the State. To this end, the Authority shall fix the rentals or charges for dwellings in such housing projects at rates no higher than those it shall determine to be necessary to produce revenues, which together with all other available moneys, revenues, incomes, and receipts of the Authority from all sources, including any financial assistance provided to maintain the low-rent character of the housing accommodations, will be sufficient to:

(a) pay, as they become due, the principal and interest on loans and obligations of the Authority issued to finance the housing program;

(b) establish and maintain such reserves as may be required to assure the payment of such principal and interest as they become due;

(c) meet the cost of, and to provide for, the maintenance and operation of the housing projects, including necessary reserves therefor, and for costs of insurance protection, as well as the administrative expenses of the Authority; and

(d) make payments in lieu of taxes as provided for in this Act.

Rentals and charges for dwellings shall be established, and the housing projects shall be administered, to the greatest degree possible, so as to assure that any financial assistance required shall be in the minimum amounts and periods necessary to maintain the low-rent character of the projects.

(2) Subject to the requirements of this Act, the Authority, in the operation and management of a low-rent housing program shall rent or lease the dwelling accommodations only to families or individuals who lack the amount of income deemed necessary by the Authority to enable them, without financial assistance, to secure decent, safe, and sanitary dwellings. The Authority shall establish rentals which it determines to be within the financial reach of such families or individuals.

Section 5. Cooperation by State Government.

(1) For the purpose of aiding and cooperating with the Authority in the planning, undertaking, carrying out, developing, constructing and operating of housing projects, the State Government or any public agency, or public body of the State with or without consideration, upon such terms as it may determine, and acting through appropriate agencies and officials, may do any, all, or any combination of the following:

(a) Enter into contracts and agreements, which may extend over any period, with any other public agency or body respecting act, including the furnishing of funds by loan, grant contribution, appropriation, or otherwise or other assistance in connection with any project.

(b) Dedicate, sell, convey, lease or otherwise transfer any of its interests in any property, or grant easements, licenses, or any other rights or privileges therein to any other State Public Agency concerned in any project pertaining to this Act.

(c) Cause public buildings and public facilities, including parks, playgrounds, recreational, community, educational, water, sewage, or drainage facilities, illumination, or any other works or facilities which it is otherwise empowered to undertake or furnish, to be furnished to or in connection with any project.

(d) Close, vacate, furnish, install, grade, regrade, pave, plan or replan, highways, streets, roads, alleys, sidewalks, ways or other places.

(e) Plan or replan, zone or rezone any part of any community or locality and make exceptions and grant waivers from any building codes, regulations or

rules in areas where no duly authorized planning commission exists.

(f) Cause administrative and other services to be furnished.

(g) Incur all or any part of the expense of any public improvement necessary for the purposes of this Act.

(h) Lend, grant, appropriate, or contribute funds for the purposes of this Act.

(i) Exercise powers relating to the repair, improvement, vacation, closing, demolition, or removal of unsafe, insanitary, or unfit buildings and structures.

(j) Do any and all other things reasonably necessary or convenient to aid and cooperate in the planning, or carrying out, or operating of projects toward achieving the purposes of this Act.

(2) All agencies and public officials of the State Government shall cooperate to the extent necessary to facilitate the exercise by the Authority of their powers, duties, and functions under this Act and in carrying out the purposes of this Act.

(3) Any sale, conveyance, lease, transfer, or agreement authorized by this Section may be made without appraisal, public notice, advertisement, or public bidding.

(4) All projects shall comply with the planning, zoning, sanitary, and building laws or codes, or other regulatory measures applicable to the community in which the project is situated.

(5) The State Government may levy taxes, appropriate funds, incur indebtedness and issue bonds for the purposes of procuring funds to be loaned, appropriated, contributed, or granted, to the Authority for carrying out its powers, functions and duties under this Act, for the provision of public improvements and other forms of local governmental cooperation, and for use in connection with any project of the Authority, or otherwise to carry out the purposes of this Act. Bonds which are issued by such government pursuant to the provisions of this Subsection shall be issued in the manner and within the limitations which are or may be prescribed by State law for the issuance and authorization of bonds generally.

Section 6. Instruments of Conveyance; Recordation. An instrument executed by the Authority, or by the State Government, conveying any right, title, or interest in any property under this Act, shall be conclusively presumed to have been executed in compliance with this Act insofar as the title or other interest of any bona fide purchase, lessee, or transferee of the property is concerned, and shall

be entitled in the appropriate records of the State Clerk of Courts or State Registrar of Titles, as may be appropriate, so as to afford actual or constructive notice thereof.

Section 7. Exemption from Execution, Liens or Taxes; Payments in Lieu of Taxes.

(1) All property, including funds, of the Authority shall be exempt from judicial process of every kind, including, without limitation, attachment, levy, execution, and sale by virtue of any execution, and no judgment shall be a lien or charge upon its property or funds.

(2) The property acquired or held for the purposes of this Act is declared to be public property used for essential public and governmental purposes, and such property shall be exempted from all taxes and special assessments of the State Government or any political subdivision thereof.

(3) The Authority may agree to make payment in lieu of taxes on its housing projects to the State Government or any political subdivision thereof, or instrumentality thereof as may be designated by the State, as it finds consistent, from time to time, with the maintenance of the low-rent character of housing projects.

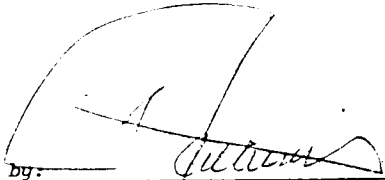
Section 8. Expenditures; and Accounting for Funds. The Authority shall make administrative, maintenance and operating expenditures in accordance with an annual budget, and shall account to the High Commissioner, the Congress of the Federated States of Micronesia and the State Legislature in accordance with applicable law, for any funds that may have been furnished to it or appropriated for its use. The operational costs and contingent expenses of the Authority shall be the responsibility of the State Legislature, provided that the Authority shall also submit a report and accounting on the use of funds given to the Authority by the High Commissioner, the Congress of the Federated States of Micronesia, and other sources.

Section 9. Annual Report. Not later than April 15, of each year, the Authority shall file with the High Commissioner, the Congress of the Federated States of Micronesia and of the State Legislature reports of its activities and the activities of the Authorities for the preceding year, and shall make recommendations with reference to such additional legislation or other action as it deems necessary or desirable in order to carry out the purposes of this Act.


Section 10. Transition. Upon the creation of the Authority pursuant to this Act, all matters pending before the Truk Housing Authority created pursuant to 40 TTC § 5, shall be deemed to be pending before the Authority created under this Act.

The Authority created under this Act shall for all purposes be deemed the lawful successor of the Truk Housing Authority created pursuant to 46 TTC § 5, and shall succeed to all the assets, liabilities, rights, and obligations of the same upon the effective date of this Act.

Section 11. Effective Date. This Act shall take effect upon approval by the Governor, or upon its becoming law without such approval.

signed by: 
Tadashi C. Wainit, Speaker
Truk Legislature

Date: October 31, 1930

Attested to: 
for Datasi Albert
Legislative Chief Clerk
Truk Legislature

Approved by: _____
Erhart Aten, Governor
Truk State Government

Date: _____