

Title 46.

Housing.

Chap. 1. Community Housing, §§ 1 to 14.

CHAPTER 1.

COMMUNITY HOUSING.

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§ 1. Short title. — This chapter is known and may be cited as the "Trust Territory Community Housing Act of 1973." (P.L. No. 5-37, § 1.)

§ 2. Declaration of findings and policy. — It is hereby found and declared:

(1) That the Congress of Micronesia seeks as its goal a decent home and suitable living environment for every Micronesian family;

(2) That there exist in the Trust Territory overcrowded and blighted areas, as well as substandard and inadequate housing conditions and a serious shortage of safe, sanitary and decent dwelling accommodations which families and individuals can afford, and that these conditions present problems of immediate and long-range governmental concern;

(3) That certain overcrowded or blighted areas or portions thereof may require acquisition, clearance, and disposition subject to use restrictions, as provided in this chapter, that other areas or portions thereof may, through the means provided in this chapter and in a manner consistent with the land planning act, be susceptible of conservation or rehabilitation in such manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented;

(4) That these problems must be attacked by prompt and vigorous action in the interests of public safety, health and welfare;

(5) That the elimination and prevention of overcrowded and blighted areas, and the provision of safe, sanitary and decent housing which is consistent with the recommendations of the approved local master plan when one exists for families of low-income in the Trust Territory constitute public uses and public purposes and are proper governmental functions, devoted to the health, welfare and safety of the people of the Trust Territory, and that the powers conferred by this chapter are for public uses and purposes for which public money may be expended. (P.L. No. 5-37, § 2.)

§ 3. **Definitions.** — As used in this chapter, unless it is otherwise provided or the context requires a different construction, application, or meaning:

(1) “*Commission*” means the Territorial Housing Commission created by section 4 of this title.

(2) “*Authority*” means the district housing authorities referred to in section 5 of this title.

(3) “*High commissioner*” means the High Commissioner of the Trust Territory or his delegate.

(4) “*Area of operation*” means the total geographical area within the boundaries of the Trust Territory.

(5) “*Overcrowded or blighted areas*” means areas in which there is a predominance of buildings or improvements, whether residential or nonresidential, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, inadequate street layout, accessibility or usefulness, or the existence of any condition which endangers life or property by fire or other means, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(6) “*Locality*” or “*community*” means any cohesive population area within the boundaries of the Trust Territory.

(7) “*Housing project*” means any work, or undertaking, or activity to provide decent, safe, and sanitary dwellings, and other living accommodations for families of low income.

(8) “*Real property*” or “*land*,” unless restricted meaning is clearly indicated, means all lands, including improvements and fixtures thereon, and appurtenances thereto, or used in connection therewith, and every estate, interest, right, and use, legal or equitable therein, including terms for years, and liens by way of mortgage, pledge, attachment, judgment, or otherwise.

(9) “*Families of low income*” or “*low-income families*” means individuals or families who cannot afford to pay enough to cause private enterprise to build an adequate supply of decent, safe and sanitary housing for their use.

(10) “*Person*” means any individual, firm, partnership, corporation, company, association, establishment, institution, or organization, private or public, and includes persons acting in a representative or fiduciary capacity.

(11) “*Public agency*” or “*agency*” means any department, bureau, instrumentality, or official body, corporation or otherwise, or any public official of the Trust Territory. (P.L. No. 5-37, § 3.)

§ 4. **Territorial housing commission.** — (1) There is hereby created a public body corporate of perpetual duration to be known as the territorial housing commission. The commission shall have all of the powers, rights, duties, privileges, functions, and obligations prescribed or provided by this chapter.

(2) The primary objective of the commission shall be to coordinate a housing program for the Trust Territory government for low-income families, and to advise, assist and serve the authority, who will be the operating agency at the district level. The commission shall:

- (a) Develop and promulgate policy;
- (b) Distribute funds received for housing purposes to the authority;
- (c) Provide technical advice and assistance on
 - (i) Administration;
 - (ii) Management;
 - (iii) Maintenance;
 - (iv) Land preparation;

- (v) Construction;
 - (d) Enter into contractual arrangements with the authority to carry out the intent and purposes of this chapter;
 - (e) Set goals and objectives, establish training programs, provide leadership in conferences and seminars; and
 - (f) Provide such additional service and technical assistance that is possible and that the authority may request.
- (3) The powers of the commission shall be vested in a governing board, which shall consist of seven members, one from each district and a member at large, none of whom shall be members of the Congress of Micronesia. Appointments shall be made by the High Commissioner with the advice and consent of the Congress of Micronesia in the manner provided in section 25 of title 2, as amended. The first appointments made under the provisions of this section shall be made as follows: two members for a period of four years, two members for a period of three years, two members for a period of two years, one member for a period of one year, respectively, from the date of their appointment, but thereafter members shall be appointed for terms of four years, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. A member shall hold office until his successor has been qualified, unless sooner removed as provided in subsection (5) of this section.
- (4) Before taking office, or entering on duty, such member shall evidence his acceptance of such appointment by execution of a certificate of acceptance of office.
- (5) Any member of the territorial housing commission may be removed by the High Commissioner for inefficiency, neglect of duty, or misconduct in office.
- (6) During his tenure and for one year thereafter, no member, officer or employee of the commission shall voluntarily acquire any interest in property that is included or planned to be included in any project, or in any contract or proposed contract relating to any project. If any such member, officer, or employee voluntarily or involuntarily acquires any such interest prior to appointment or employment as a member, officer, or employee, or thereafter, then, in any such event, the member, officer, or employee shall immediately disclose his interest in writing to the commission and such disclosure shall be entered upon the minutes of the commission, and the member, officer or employee shall not participate in any action by the commission relating to the property or contract in which he has any such interest. Any violation of the foregoing provisions of this subsection shall constitute misconduct in public office.
- (7) A member shall receive no compensation for his services, but shall be entitled to travel costs and per diem at standard Trust Territory rates when engaged in the discharge of his duties and functions.
- (8) The members shall constitute the governing board of the commission, and shall designate a chairman, vice-chairman, and secretary by majority vote. The first meeting of the governing board shall be called by the High Commissioner within thirty days after the appointment of the fifth member. The High Commissioner shall designate a temporary chairman from among the membership of the governing board who shall preside over the first meeting until a permanent chairman, vice-chairman, and secretary are chosen. The Attorney General of the Trust Territory shall be legal advisor to the commission and shall perform for the commission all legal services as may be required or necessary.
- (9) The governing board shall appoint an executive director, 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 expenditure of all salaries and logistical support to be incurred by the commission 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 commission. Employees of the commission shall be considered employees of the executive branch of the Trust Territory government.

(10) Five members shall constitute a quorum of the governing board for the purposes of conducting the business of the commission and exercising its powers and for all other purposes. A vote of the majority of the members present at any meeting of the board at which a quorum is present shall prevail.

(11) The governing board shall hold three regular meetings each calendar year at the call of the chairman but may be called into special meeting by the High Commissioner at any time. (P.L. No. 5-37, § 4.)

Editor's note. — Section 2 TTC 25 referred to in subsection (3) has been omitted as obsolete.

§ 5. District housing authorities. — (1) There is hereby created in each district of the Trust Territory a public body corporate of perpetual duration to be designated as a district housing authority. The authority shall be deemed for all purposes an agency of the government of the Trust Territory; provided, however, that the authority shall not be vested with the power of eminent domain.

(2) (a) The powers of the authority shall be vested in a board of directors, which shall consist of five members, all of whom shall serve four-year terms, appointed by the district administrator with the advice and consent of the district legislature, which shall be required to act within thirty days from the date of each respective appointment. Appointments made while a district legislature is not in session may be made with the advice and consent of a committee of the legislature authorized to approve appointments; 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. All appointments made thereafter shall be for a period of four years. The district director of public works, the district finance officer and district planning officer shall be ex officio, nonvoting members of the board. Any member of the district housing authority may be removed from the board by the district administrator for inefficiency, neglect of duty, or misconduct in office. In the event of any vacancy on the membership of the board, such vacancy shall be filled in the same manner as the original appointments; provided, however, that appointments to fill the vacancies on the board shall be made for the unexpired term of the member who vacated the seat.

(b) The board shall elect from among its members a chairman, a vice-chairman, and a secretary. The district finance officer shall serve as treasurer of the board unless the board employs a full-time treasurer. The district administrator 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.

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

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

(e) The board shall appoint an executive director, 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 expenditure 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 not be considered employees of the Trust Territory government.

(f) The Trust Territory government shall provide such office space as may be required by the authority and shall provide such logistical and administrative support as may be required by the authority within the limits of availability. (P.L. No. 5-37, § 5.)

§ 6. Powers and duties of commission and authorities.— The powers and duties of the commission and authority shall include, but not be limited to, the following:

- (1) To administer the Trust Territory low-cost housing loan program.
- (2) To have perpetual succession; to sue and be sued in its own name; to be represented by the Attorney General in such suits; and to have a seal and modify it.
- (3) (a) To make loans or guarantee loans to individuals, groups, or associations to assist in the construction of low-cost housing in the district. Such loans shall bear interest at such rate as may be established by regulation, but at no time shall such rate be more than four and one-half 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 commission or 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.
(b) Loans 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 chapter; 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) To be exempt from all licensing requirements and taxation.
- (5) To enter into and execute contracts and instruments of every kind and nature, necessary or convenient to the exercise of its powers and functions.
- (6) To make, and from time to time, modify and repeal, bylaws and regulations, not inconsistent with this chapter, 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) To borrow money from public and private sources, and give such security therefor as may be required.
- (8) To 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

no authority shall 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 commission.

(9) To deposit funds in banking institutions whose deposits are guaranteed by the Trust Territory government.

(10) To invest funds in property or securities approved for investment by the Trust Territory government.

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

(13) To 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) To insure, or provide for the insurance, in any stock or mutual company or any public or private insurance facility approved by the Trust Territory government, of any real or personal property or operations, against any risks and hazards.

(15) To 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) To make or have made all plans necessary to the carrying out of the purposes of this chapter 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 rehabilitation 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) To 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) To lease any dwellings, accommodations, land, structures, or facilities embraced in any project.

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

(20) To establish from time to time standards of eligibility, rules, regulations and conditions for 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) To make such expenditures, subject to the provisions of this chapter or any other applicable law, regulation or restriction, as may be necessary for the activities and operations to carry out the purposes of this chapter.

(22) To conduct examinations and investigations on any matters material to the functions or operations of the housing program.

(23) To have the same free use of Trust Territory government pouch mail, communication facilities, and procurement services as other departments and activities of the Trust Territory government. (P.L. No. 5-37, § 6; P.L. No. 6-48, § 1.)

§ 7. Laws and orders superseded. — The following are superseded by this chapter:

(1) High Commissioner's special order no. 4, February 11, 1964, is superseded by this chapter upon the appointment of the fifth member to the board of directors of the Marianas District housing authority pursuant to section 5 of this title.

(2) High Commissioner's special order no. 8, February 8, 1965, is superseded by this chapter upon the appointment of the fifth member to the board of directors of the Truk District housing authority pursuant to section 5 of this title.

(3) High Commissioner's special order no. 9, February 10, 1965, is superseded upon the effective date of this chapter.

(4) High Commissioner's special order no. 10, November, 1965, is superseded by this chapter upon the appointment of the fifth member to the board of directors of the Yap District housing authority pursuant to section 5 of this title.

(5) Ponape District law no. 2L-215-70, November 30, 1970, is superseded by this chapter upon the appointment of the fifth member to the board of directors of the Ponape District housing authority pursuant to section 5 of this title.

(6) Palau District law no. 4-5-5, June, 1970, is superseded by this chapter upon the appointment of the fifth member to the board of directors of the Palau District housing authority pursuant to section 5 of this title. (P.L. No. 5-37, § 7.)

§ 8. Transition. — Upon the creation of each respective authority pursuant to section 5 of this title, all matters pending before any authority created by any special order, district law, or otherwise, shall be deemed to be pending before the authority created by said section. The authorities created by said section shall for all purposes be deemed the lawful successors of the district housing authorities existing under such district laws or special orders, or otherwise, and shall succeed to all the assets, liabilities, rights, and obligations of the same upon the effective date of this chapter. (P.L. No. 5-37, § 8.)

§ 9. Administration of housing programs for low-income families. —

(1) The commission and 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 Trust Territory. 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 commission 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 commission and the authority; and

(d) Make payments in lieu of taxes as provided for in this chapter. 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 chapter, 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. (P.L. No. 5-37, § 9.)

§ 10. Cooperation by government of the Trust Territory. — (1) For the purpose of aiding and cooperating with the commission and the authority in the planning, undertaking, carrying out, developing, constructing and operating of housing projects, the Trust Territory government or any public agency, or public body of the Trust Territory 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 action to be taken pursuant to any of the powers granted by this 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 Trust Territory public agency concerned in any project pertaining to this chapter.

(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 chapter.

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

(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 chapter.

(2) All agencies and public officials of the Trust Territory government shall cooperate to the extent necessary to facilitate the exercise by the commission and the authority of their powers, duties, and functions under this chapter and in carrying out the purposes of this chapter.

(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 Trust Territory 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 commission for carrying out its powers, functions and duties under this chapter, for the provision of public improvements and other forms of local governmental cooperation, and for use in connection with any project of the commission, or otherwise to carry out the purposes of this chapter. 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 Trust Territory law for the issuance and authorization of bonds generally. (P.L. No. 5-37, § 10.)

§ 11. Instruments of conveyance. — An instrument executed by the commission, by the authority, or by the Trust Territory government, conveying any right, title or interest in any property under this chapter, shall be conclusively presumed to have been executed in compliance with this chapter insofar as the title or other interest of any bona fide purchaser, leasee, or transferee of the property is concerned, and shall be entitled to recordation in the appropriate records of the district clerk of courts or district registrar of titles, as may be appropriate, so as to afford actual or constructive notice thereof. (P.L. No. 5-37, § 11.)

§ 12. Exemption of property and funds from execution, liens or taxes; payments in lieu of taxes. — (1) All property, including funds, of the commission or authority shall be exempt from judicial process of every kind, including, without limitation, attachment, levy, execution, and sale by virtue of an 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 chapter is declared to be public property used for essential public and governmental purposes, and such property shall be exempt from all taxes and special assessments of the Trust Territory government or any political subdivision thereof.

(3) The commission or authority may agree to make payment in lieu of taxes on its housing projects to the Trust Territory government or any political subdivision thereof, or instrumentality thereof as may be designated by the Trust Territory government, as it finds consistent, from time to time, with the maintenance of the low-rent character of housing projects. (P.L. No. 5-37, § 12.)

§ 13. Expenditures; accounting for funds. — The commission shall make administrative, maintenance and operating expenditures in accordance with an annual budget, and shall account to the High Commissioner, the Congress of Micronesia and the district 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 district housing authorities shall be the responsibility of the district legislatures after March 31, 1977. (P.L. No. 5-37, § 13; P.L. No. 6-106, § 1.)

§ 14. Annual report and recommendations. — Not later than January 31 of each year, the commission shall file with the High Commissioner, the Congress of Micronesia and each of the district legislatures a report of its activities and the activities of the several district 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 purpose of this chapter. (P.L. No. 5-37, § 14.)