

WEST VIRGINIA LEGISLATURE
FIRST EXTRAORDINARY SESSION, 1969



ENROLLED

HOUSE BILL No. 19

(By Mr. *Speaker, Mr. Bevisky*
and Mr. Seiber)



PASSED July 25 1969

In Effect from Passage



FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 8-5-69

19

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House Bill No. 19

(By MR. SPEAKER, MR. BOIARSKY, and MR. SEIBERT)

[Passed July 25, 1969; in effect from passage.]

AN ACT to amend and reenact sections two, three, five, six and ten, article eighteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the West Virginia housing development fund, legislative findings and purposes, definitions, management and control of housing development fund, officers, personal liability of officers and directors, powers of housing development fund, and sale of bonds or notes.

Be it enacted by the Legislature of West Virginia:

That sections two, three, five, six and ten, article eighteen, chapter thirty-one of the code of West Virginia, one thousand

nine hundred thirty-one, as amended, be amended and re-enacted to read as follows:

ARTICLE 18. WEST VIRGINIA HOUSING DEVELOPMENT FUND.

§31-18-2. Legislative findings and purpose.

(a) The Legislature hereby finds and declares that as a result of public actions involving highways, public facilities, flood control projects, and urban renewal activities, and as a result of the spread of slum conditions and blight to formerly sound urban and rural neighborhoods, there exists in the state of West Virginia a serious shortage of sanitary, decent and safe residential housing available at low prices or rentals to persons and families of low and moderate income. This shortage is severe in certain urban areas of the state, is especially critical in the rural areas of West Virginia, and is inimical to the health, welfare and prosperity of all residents of the state and to the sound growth of West Virginia communities.

(b) The Legislature hereby finds and declares further that private enterprise and investment have not been able to produce, without assistance, the needed construction of sanitary, decent and safe residential housing at low prices or rentals which persons and families of low and moderate income

can afford, or to achieve the urgently needed rehabilitation of much of the present low and moderate income housing stock. It is imperative that the supply of residential housing for persons and families displaced by public actions or natural disaster be increased; and that private enterprise and investment be encouraged both to sponsor land development for residential housing for such persons and families and to sponsor, build and rehabilitate residential housing for such persons and families, to help prevent the recurrence of slum conditions and blight and assist in their permanent elimination throughout West Virginia.

(c) The Legislature hereby finds and declares further that its intention by enacting this legislation is to provide for the creation and establishment of the West Virginia housing development fund, the corporate purpose of which is to provide temporary financing for development costs, land development and residential housing construction to public and private sponsors of land development for residential housing or residential housing, new or rehabilitated, for sale or rental to persons and families of low and moderate income; further to provide technical, consultative and project assistance services

to public and private sponsors of such land development or residential housing; further to increase the construction of low and moderate income housing through the purchase or investment in long-term federal mortgages or federally insured mortgages on housing for persons and families of low and moderate income constructed in this state thereby increasing the supply of long-term mortgage financing and freeing funds available therefor for use in short-term construction financing; and finally to assist in coordinating federal, state, regional and local public and private efforts and resources to otherwise increase the supply of such residential housing.

(d) The Legislature hereby finds and declares further that in accomplishing this purpose, the West Virginia housing development fund, created and established by this article, is acting in all respects for the benefit of the people of the state of West Virginia to serve a public purpose in improving and otherwise promoting their health, welfare and prosperity, and that the West Virginia housing development fund, so created and established, is empowered, hereby, to act on behalf of the state of West Virginia and its people in serving this public purpose for the benefit of the general public.

§31-18-3. Definitions.

As used in this article, unless the context otherwise requires:

(1) "Development costs" means the costs approved by the housing development fund as appropriate expenditures which may be incurred by sponsors of land development for residential housing or residential housing, within this state, prior to commitment and initial advance of the proceeds of a federally insured construction loan, federally insured mortgage or federal mortgage or other public assistance programs, and for which temporary loans from the operating loan fund, if created, may be made by the housing development fund subject to the provisions of section nineteen of this article, including but not limited to:

(a) Payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the housing development fund, payments for the purchase of such properties;

(b) Legal and organizational expenses, including payments of attorneys' fees, project manager and clerical staff salaries, office rent and other incidental expenses;

(c) Payment of fees for preliminary feasibility studies,

advances for planning, engineering and architectural work;

(d) Expenses for tenant surveys and market analyses; and

(e) Necessary application and other fees;

(2) "Federally insured construction loan" means a construction loan for land development for residential housing or residential housing which is either secured by a federally insured mortgage or a federal mortgage, or which is insured by the United States or an instrumentality thereof, or a commitment by the United States or an instrumentality thereof to insure such a loan;

(3) "Federally insured mortgage" means a mortgage loan for land development for residential housing or residential housing insured or guaranteed by the United States or an instrumentality thereof, or a commitment by the United States or an instrumentality thereof to insure such a mortgage;

(4) "Federal mortgage" means a mortgage loan for land development for residential housing or residential housing made by the United States or an instrumentality thereof, or a commitment by the United States or an instrumentality thereof to make such a mortgage loan;

(5) "Housing development fund" means the West Vir-

ginia housing development fund created and established by section four of this article;

(6) "Land development" means the process of acquiring land for residential housing construction, and of making, installing, or constructing nonresidential housing improvements, including waterlines and water supply installations, sewer lines and sewage disposal installations, steam, gas and electric lines and installations, roads, streets, curbs, gutters, sidewalks, whether on or off the site, which the housing development fund deems necessary or desirable to prepare such land for residential housing construction within this state;

(7) "Operating loan fund" means the operating loan fund which may be created and established by the housing development fund in accordance with section nineteen of this article;

(8) "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, determined by the housing development fund to require such assistance as is made available by this article on account of personal or family income not sufficient to afford sanitary, decent and safe housing, and to be eligible

or potentially eligible to occupy residential housing constructed and financed, wholly or in part, with federally insured construction loans, federally insured mortgages, federal mortgages or with other public or private assistance, and in making such determination the fund shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families for federal housing assistance of any type predicted upon a low or moderate income basis, and (e) the ability of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing;

(9) "Residential housing" means a specific work or improvement within this state undertaken primarily to provide dwelling accommodations, including the acquisition, construction or rehabilitation of land, buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

§31-18-5. Management and control of housing development fund; officers; liability.

(a) The management and control of the housing development fund shall be vested solely in the board of directors in accordance with the provisions of this article.

(b) The chairman shall be the chief executive officer of the housing development fund, and, in his absence, the vice chairman shall act as chief executive officer.

(c) The board of directors may appoint a chief administrative officer and may fix his title, duties and compensation.

(d) The board of directors of the housing development fund shall annually elect from its membership a treasurer, and shall annually elect a secretary, who need not be a member of the board, to keep a record of the proceedings of the housing development fund.

(e) The treasurer of the housing development fund shall be custodian of all funds of the housing development fund, and shall be bonded in such amount as the other members of the board of directors may designate.

(f) The directors and officers of the West Virginia housing development fund shall not be liable personally, either jointly or severally, for any debt or obligation created by the West

Virginia housing development fund.

§31-18-6. Corporate powers.

The housing development fund is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate its corporate purpose, including but not limited to the following:

(1) To make or participate in the making of federally insured construction loans to sponsors of land development for residential housing for occupancy by persons or families of low moderate income or residential housing for occupancy by persons or families of low and moderate income who are eligible or potentially eligible for federally insured mortgages or federal mortgages. Such loans shall be made only upon determination by the housing development fund that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(2) To make temporary loans, with or without interest, but with such security for repayment as the housing development fund determines reasonably necessary and practicable, from the operating loan fund, if created, established, organized and

operated in accordance with the provisions of section nineteen of this article, to defray development costs to sponsors of land development for residential housing for occupancy by persons and families of low and moderate income or residential housing construction for occupancy by persons and families of low and moderate income which is eligible or potentially eligible for federally insured construction loans, federally insured mortgages or federal mortgages;

(3) To accept appropriations, gifts, grants, bequests and devises, and to utilize or dispose of the same to carry out its corporate purpose;

(4) To make and execute contracts, releases, compromises, compositions and other instruments necessary or convenient for the exercise of its powers, or to carry out its corporate purpose;

(5) To collect reasonable fees and charges in connection with making and servicing its loans, notes, bonds, obligations, commitments and other evidences of indebtedness, and in connection with providing technical, consultative and project assistance services. Such fees and charges shall be limited to the amounts required to pay the costs of the housing de-

velopment fund, including operating and administrative expenses, and reasonable allowances for losses which may be incurred;

(6) To invest any funds not required for immediate disbursement in obligations of the state of West Virginia or in direct obligations of the United States government or in obligations the principal of which and interest on which are guaranteed by the state of West Virginia, or the United States government or any instrumentality thereof;

(7) To sue and be sued;

(8) To have a seal and alter the same at will;

(9) To make, and from time to time, amend and repeal by-laws, rules and regulations not inconsistent with the provisions of this article;

(10) To appoint such officers, employees and consultants as it deems advisable and to fix their compensation and prescribe their duties;

(11) To acquire, hold and dispose of personal property for its corporate purposes;

(12) To enter into agreements or other transactions with any federal or state agency, any person and any domestic or

foreign partnership, corporation, association or organization;

(13) To acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the housing development fund has an interest and to sell, transfer and convey any such property to a buyer and, in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property to a tenant;

(14) To sell, at public or private sale, any mortgage or other negotiable instrument or obligation securing a construction, land development, mortgage or temporary loan;

(15) To procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable;

(16) To consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment or any installment of principal or interest, or any other terms, of any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to

which the housing development fund is a party;

(17) To make and publish rules and regulations respecting its federally insured construction lending and temporary lending to defray development costs and any such other rules and regulations as are necessary to effectuate its corporate purpose;

(18) To borrow money to carry out and effectuate its corporate purpose and to issue its negotiable bonds or notes as evidence of any such borrowing in such principal amounts and upon such terms as shall be necessary to provide sufficient funds for achieving its corporate purpose, except that no negotiable bonds or notes shall be issued to mature more than ten years from date of issuance, and except that the amount borrowed and evidenced by the issuance of its negotiable bonds shall not exceed the amount reasonably estimated at the time of the issuance of such negotiable bonds to be required for the purpose of making federally insured construction loans for a period of two years;

(19) To issue renewal notes, to issue bonds to pay notes and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to

be refunded have or have not matured except that no such renewal notes or refunding bonds shall be issued to mature more than ten years from date of issuance;

(20) To apply to proceeds from the sale of renewal notes or refunding bonds to the purchase, redemption, or payment of the notes or bonds to be refunded;

(21) To provide technical services to assist in the planning, processing, design, construction or rehabilitation of residential housing for occupancy by persons and families of low and moderate income or land development for residential housing for occupancy by persons and families of low and moderate income;

(22) To provide consultative project assistance services for residential housing for occupancy by persons and families of low and moderate income and for land development for residential housing for occupancy by persons and families of low and moderate income, and for the residents thereof with respect to management, training and social services;

(23) To promote research and development in scientific methods of constructing low cost residential housing of high durability; and

(24) To participate in the making of or to make loans to qualified federally approved mortgagees and in connection therewith to take as collateral security, invest in, purchase, acquire, sell or participate in the sale of, or take assignments of, notes and mortgages evidencing loans for the construction, rehabilitation, purchase, or refinancing of housing for persons and families of low and moderate income in this state: *Provided*, That the fund shall obtain such written assurances as shall be satisfactory to it that the proceeds of such loans will be used, as nearly as practicable, for investment in federally insured construction loans for low and moderate income housing in this state or that other moneys in an amount approximately equal to such proceeds shall be committed and used for such purpose.

§31-18-10. Sale of notes or bonds.

Any notes or bonds issued by the West Virginia housing development fund may be sold in such manner, either at public or private sale, and for such price, upon such terms and at such interest rates per annum, as the fund shall determine to be for the best interests of the fund and to be necessary to effectuate the purposes of this article.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompkins
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect from passage.

Thomas Meyer
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Klayd Jackson
President of the Senate

Ivor F. Boarsky
Speaker House of Delegates

The within approved this the 31st
day of July, 1969.

Arch A. Shouse, Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 7/31/69

Time 4:20 p.m.

RECEIVED

AUG 5 10 05 AM '69

OFFICE OF
STATE ATTORNEY
STATE OF WEST VIRGINIA