

17-2353. Same; bond provisions; trust indentures; mortgages. In connection with the issuance of bonds pursuant to this act or the incurring of obligations under leases made pursuant to this act and in order to secure the payment of the bonds or obligations, a municipality, in addition to its other powers, shall have power to:

(a) Pledge all or any part of the gross or net rents, fees or revenues of a housing project, financed with the proceeds of such bonds, to which its rights then exist or may thereafter come into existence.

(b) Mortgage all or part of its real or personal property, then owned or thereafter acquired or held pursuant to this act.

(c) Covenant against pledging all or any part of the rents, fees and revenues or against mortgaging all or any part of its real or personal property, acquired or held pursuant to this act, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; covenant with respect to limitations on the right to sell, lease or otherwise dispose of any housing project or any part thereof; and covenant as to what other, or additional debts or obligations may be incurred by it.

(d) Covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; provide for the replacement of lost, destroyed or mutilated bonds; covenant against extending the time for the payment of its bonds or interest thereon; and covenant for the redemption of the bonds and to provide the terms and conditions thereof.

(e) Covenant (subject to the limitations contained in this act) as to the rents and fees to be charged in the operation of a housing project or projects, the amount to be raised each year or other period of time by rents, fees and other revenues, and the use and disposition to be made thereof; create or authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves, or other purposes, and covenant as to the use and disposition of the moneys held in such funds.

(f) Prescribe the procedure, if any, by which the terms of any contract with bond holders may be amended or abrogated, the proportion of outstanding bonds the holders of which must consent to such action, and the manner in which such consent may be given.

(g) Covenant as to the use, maintenance and replacement of any or all of its real or personal property acquired pursuant to this act, the insurance to be carried thereon and the use and disposition of insurance moneys.

(h) Covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition, or obligation; and covenant as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

(i) Vest in any obligees of any specified proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; vest in an obligee or obligees the right, in the event of a default by the municipality, to take possession of and use, operate and manage any housing project or any part thereof or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement between the municipality and such obligees; provide for the powers and duties of such obligees and limit the liabilities thereof; and provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds.

(j) Exercise all or any part or combination of the powers herein granted; make such covenants (other than and in addition to the covenants herein expressly authorized) and do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of said municipality, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

This act, without reference to other statutes of the state, shall constitute full authority for the authorization and issuance of bonds hereunder. No other act or law with regard to the authorization or issuance of obligations that requires a bond election or in any way impedes or restricts the carrying out of the acts herein authorized to be done shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto.

History: L. 1957, ch. 132, § 17; L. 1973, ch. 96, § 13; July 1.