§§ 3912, 3913  TITLE 42—THE PUBLIC HEALTH AND WELFARE  Page 5144

Stat. 1780, provided for supplementary grants under this chapter.

§§ 3912, 3913. Omitted

Codification

Sections were omitted pursuant to section 638 of this title, which terminated authority to guarantee bonds, debentures, notes, or other obligations under this chapter after Dec. 31, 1970, with exceptions now inapplicable.

Section 3912, Pub. L. 90–448, title IV, § 413, Aug. 1, 1968, 82 Stat. 517, set out functions, powers and duties of the Secretary under this chapter.

Section 3913, Pub. L. 90–448, title IV, § 414, Aug. 1, 1968, 82 Stat. 517, related to audit of financial transactions of those whose obligations are guaranteed under this chapter.


CHAPTER 49—NATIONAL HOUSING PARTNERSHIPS

Sec.

3931. Congressional statement of purpose.

3932. Creation of corporations.

3933. Organization of corporation.

3934. Board of Directors; membership; appointment; term.

3935. Financing the corporation.

3936. Purposes and powers of corporation.

3937. National housing partnership.

3938. Annual report of corporation; audit of accounts.

3939. Applicability of antitrust laws.

3940. Reservation of right to repeal, alter, or amend chapter.

3941. State or local taxation or regulation; access to judicial process.

§ 3931. Congressional statement of purpose

The Congress finds that the volume of housing being produced for families and individuals of low or moderate income must be increased to meet the national goal of a decent home and a suitable living environment for every American family, and declares that it is the policy of the United States to encourage maximum participation by private enterprise in the provision of housing for low or moderate income families. The Congress has therefore determined that one or more private organizations should be created to encourage maximum participation by private investors in programs and projects to provide low and moderate income housing.


§ 3932. Creation of corporations

(a) Authorization

There is hereby authorized to be created a private corporation for profit (hereinafter in this chapter referred to as the “corporation”). The corporation will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this chapter and, to the extent consistent with this chapter, to the District of Columbia Business Corporation Act.

(b) Creation of additional corporations

Whenever the President finds it in the national interest to do so, he may cause the creation of an additional corporation or additional corporations to carry out the purposes of this chapter. All the provisions of this chapter shall thereupon become applicable to each such corporation, and to the limited partnership formed by it pursuant to section 3937 of this title.

(c) Creation of corporations and organization of other partnerships, joint ventures, or associations by private persons

Nothing in this chapter shall be construed to preclude private persons from creating other corporations and organizing other partnerships, joint ventures, or associations for the purposes set forth in this chapter as the purposes of the corporation and the partnership described in section 3937 of this title.


References in Text

The District of Columbia Business Corporation Act, referred to in subsec. (a), is act June 6, 1954, ch. 269, 68 Stat. 179, as amended, which is not classified to the Code.

§ 3933. Organization of corporation

(a) Appointment of incorporators; Chairman; initial board of directors

The President of the United States shall appoint, by and with the advice and consent of the Senate, incorporators of the corporation, one of whom shall be designated by the President to serve as chairman. The incorporators shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and have qualified.

(b) Action by incorporators; filing articles of incorporation

The incorporators shall take whatever actions are necessary or appropriate to establish the corporation, including the filing of articles of incorporation as approved by the President.

(c) Initial offering of stock in corporation and of interests in partnership; terms of offering

The incorporators shall also arrange for an initial offering of shares of stock in the corporation and of interests in the partnership described in section 3937 of this title. If the incorporators deem it advisable in order to carry out the purposes of this chapter, the initial offering may be made upon terms which require the purchase of other securities of the corporation or of interests in such partnership.


§ 3934. Board of Directors; membership; appointment; term

The corporation shall have a board of directors (hereinafter in this section referred to as the “board”), consisting of fifteen members. Three members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, effec-
the board so appointed shall continue in office
cancy shall be appointed only for the unexpired
tively, and any member so appointed to fill a va-
terms of one, two, and three years, respec-
qualified, except that the first three members of
or moderate income shall be the primary ac-
of housing for families and individuals of low or
moderate income; acquisition and disposal of property;
and services for use in the construction, sale,
and financing of housing, and (B) design and de-
construction to which such provisions would
sent, experts, advisory boards and panels
included in the activities authorized to the
corporation for the accomplishment of the pur-
poses indicated in subsection (a) of this section are,
among others not specifically named—
(1) to enter into partnerships, limited part-
terships, joint ventures, and other associa-
tions with individuals, corporations, and pri-
and governmental agencies, organiza-
tions, and institutions;
(2) to act as manager or general partner of
any such partnership, venture, or association;
(3) to conduct or contract for research and
studies related to the development, demon-
stration, and evaluation of improved tech-
niques and methods of constructing, rehabili-
tating, and maintaining housing;
(4) to provide technical assistance to non-
profit corporations, limited dividend corpora-
tions, and others with respect to the planning,
refinancing, construction, rehabilitation,
maintenance, and management of housing for
low and moderate income families and individ-
als;
(5) to make loans or grants including grants
of interests in housing and related facilities,
to nonprofit corporations, limited dividend
corporations, and others, in carrying out its
activities under subsection (a) of this section; and
(6) to hire or accept the voluntary services
of consultants, experts, advisory boards, and
panels to aid the corporation in carrying out
the purposes of this chapter.
(c) Exercise of powers conferred upon stock cor-
poration by District of Columbia Business
Corporation Act
To carry out the foregoing purposes and en-
gaged in the foregoing activities, the corpora-
tion shall have the usual powers conferred upon
a stock corporation by the District of Columbia
Business Corporation Act.
(d) Labor standards
Nothing in this chapter shall have the effect of
waiving or otherwise affecting the applicability
of the provisions of sections 3141–3144, 3146, and
3147 of title 40, or any other law requiring com-
pliance with labor standards, in the case of any
construction to which such provisions would
otherwise apply.
(e) Maximum combined outstanding equity com-
mitment
The combined outstanding equity commitment
of the corporation and the partnership with respect to activities undertaken under sub-
section (a)(4) of this section may not exceed (1)
7 percent of their total combined equity com-
mitment outstanding during the first 12-month
period following October 17, 1984; (2) 14 percent
of their total combined equity commitment out-
standing during the second 12-month period fol-
lowing October 17, 1984; or (3) 20 percent of their
total combined equity commitment outstanding at any time thereafter.


REFERENCES IN TEXT

The District of Columbia Business Corporation Act, referred to in subsec. (c), is act June 8, 1954, ch. 269, 68 Stat. 179, as amended, which is not classified to the Code.

CODIFICATION


AMENDMENTS


§ 3937. National housing partnership

(a) Formation of limited partnership; partnership agreement

The corporation is authorized to arrange for the formation, as a separate organization, of a limited partnership (hereinafter in this chapter referred to as the “partnership”) under the District of Columbia Uniform Limited Partnership Act for the purpose of engaging in any of the activities authorized for the corporation under section 3936 of this title, and to enter into a partnership agreement governing the affairs of such limited partnership.

(b) Applicability of other laws; legal status of limited partnership

The partnership shall be subject to the provisions, to the extent consistent with this chapter, of (1) the District of Columbia Uniform Limited Partnership Act and (2) those provisions of the District of Columbia Uniform Partnership Act made applicable by section 6(2) of that Act. Notwithstanding any inconsistency between the provisions of such Acts, or of any other law, and the provisions of this section, the partnership organized pursuant to this section shall be deemed to have the legal status of a limited partnership.

(c) Authorization to enter into partnerships, limited partnerships, or joint ventures organized under State or local laws for purpose of engaging in low and moderate income housing developments, projects, or undertakings

The partnership is authorized to enter into partnerships, limited partnerships, or joint ventures organized under applicable State or local law for the purpose of engaging in low and moderate income housing developments, projects, or undertakings in particular localities.

(d) General partner; capital of partnership; contribution of partners

The corporation shall be the general partner in the partnership. The capital of the partnership and the contributions of the partners shall be in such amounts and at such times as are set forth in or pursuant to the partnership agreement.

(e) Partnership agreement; participation in low and moderate income housing developments, projects, or undertakings; limitation on aggregate initial equity investment

The partnership agreement shall include provisions designed to assure that (1) the partnership shall participate in low and moderate income housing developments, projects, or undertakings in a manner designed to encourage the participation therein of local interests, and (2) in any such development, project, or undertaking the partnership shall not subscribe to more than 25 per centum (including equity investments made in services or property) of the aggregate initial equity investment unless, in the judgment of the corporation as general partner, the balance of the required equity investment is not readily obtainable from other responsible investors residing or doing business in the local community.

(f) Partnership agreement; authorization for stockholders to become limited partners; inclusion of other limited partners; acquisition of assignor’s stock by assignee of limited partner; approval of substitution or addition of partnership member

The partnership agreement may without limitation (1) permit each of the stockholders of the corporation to become a member of the partnership as a limited partner, (2) authorize the inclusion of other limited partners in addition to the stockholders of the corporation, (3) provide that the assignee of the partnership interest of a limited partner of the partnership who is also a stockholder of the corporation may not become a substituted limited partner unless he also acquires the assignor’s stock of the corporation, and (4) include provisions requiring that the corporation as a general partner approve the substitution or addition of a member of the partnership.

(g) Liability of corporation as general partner; treatment of interest of limited partner in partnership

A corporation which is a limited partner in the partnership shall not become liable as a general partner by reason of the fact that (1) such corporation is a holder of shares of voting stock of the corporation constituting not more than 5 per centum of the total number of outstanding shares of such stock and exercises any of the rights (including voting rights) of a holder of such shares, and/or (2) a person who is an officer or director of such corporation (or of another corporation which controls or is subject to the control of, or is under common control with, such corporation) is a director of the corporation and performs the duties of that office. The interest of a limited partner in the partnership shall not be treated as a stock interest in the corporation, notwithstanding that such interest of a limited partner may be proportionate to his stock interest in the corporation.
§ 3939. Applicability of antitrust laws

Nothing contained herein shall affect the applicability of the Federal antitrust laws to the activities of the corporation and the partnership created under this chapter and of the persons participating therein or in partnerships, limited partnerships, or joint ventures with either of them.


§ 3940. Reservation of right to repeal, alter, or amend chapter

The right to repeal, alter, or amend this chapter at any time is expressly reserved.


§ 3941. State or local taxation or regulation; access to judicial process

Nothing contained in this chapter shall preclude a State or other local jurisdiction from imposing, in accordance with the laws of such State or other local jurisdiction, any valid nondiscriminatory tax, obligation, or regulation on the partnership as a taxable and or legal entity, but no limited partner of the partnership not otherwise subject to taxation or regulation by or judicial process of a State or other local jurisdiction shall be subject to taxation or regulation by or subject to or denied access to judicial process of such State or other local jurisdiction, or be subject or denied access to any greater extent, because of activities of the corporation or partnership within such State or other local jurisdiction.