**17-2347.** Housing rentals and tenant admissions; non-dwelling facilities, tenants and rental. A municipality shall:

(a) Rent or lease the dwelling accommodations in a housing project only to persons of low income and at rentals within the financial reach of such persons;

(b) rent or lease to a tenant such dwelling accommodations consisting of the number of rooms which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; and

(c) fix income limits for occupancy and rents after taking into consideration the family size, composition, age, physical handicaps, and other factors which might affect the rent paying ability of the family, including the economic factors which affect the financial stability and solvency of the project.

In computing the rental for this purpose of admitting tenants, there shall be included in the rental the average annual cost (as determined by the municipality) to occupants of heat, water, electricity, gas, cooking fuel and other necessary services or facilities, whether or not the charge for such services and facilities is included in the rental.

A municipality shall give a preference to those persons who occupied dwellings which were razed so that a slum could be cleared or the housing project could be constructed and to elderly persons whether or not so displaced, and who desire to rent or lease dwelling accommodations in such housing project, if such persons are otherwise qualified to rent or lease dwelling accommodations in such housing project. Notwithstanding the provisions hereof, a municipality may agree to conditions as to tenant eligibility or preference required by the federal government pursuant to federal law in any contract for financial assistance. Further, notwithstanding the provisions hereof, nothing herein shall be construed to limit the amount of rental that an authority may charge or the tenants that an authority may admit for non-dwelling facilities. All such rental, together with other income and revenue shall be used in the operation of the projects to aid in accomplishing the public purposes of this act.

Nothing contained in this or the preceding section shall be construed as limiting the power of a municipality, with respect to a housing project, to vest in an obligee the right, in the event of a default by the municipality, to take possession or cause the appointment of a receiver thereof, free from all the restrictions imposed by this or the preceding section.

History: L. 1957, ch. 132, § 11; L. 1961, ch. 121, § 3; L. 1968, ch. 70, § 2; L. 1973, ch. 96, § 7; July 1.