

35A-8-408 Profit from projects prohibited -- Criteria for determining rentals and payments.

- (1) To accomplish the public, governmental, and charitable purposes of this part, the Legislature declares that:
 - (a) an authority manage and operate the authority's housing projects in an efficient manner to enable each housing project to provide decent, safe, and sanitary dwelling accommodations for persons of medium and low income and fix the rentals or payments for these accommodations for persons of low income at low rates; and
 - (b) an authority may not be operated as a source of revenue to the city or county.
- (2) An authority shall fix the rentals or payments for dwellings in the authority's projects at no higher rates than the authority finds necessary in order to produce revenues that, together with all other available money, revenues, income, and receipts of the authority from whatever sources derived, including federal financial assistance necessary to maintain the low-rent character of the projects, is sufficient to:
 - (a) pay, as they become due, the principal and interest on the bonds of the authority;
 - (b) create and maintain reserves required to assure the payment of principal and interest as it becomes due on its bonds;
 - (c) meet the cost of, and provide for, maintaining and operating the projects, including necessary reserves and the cost of any insurance, and the administrative expenses of the authority; and
 - (d) make payments in lieu of taxes and, after payment in full of all obligations for which federal annual contributions are pledged, make repayments of federal and local contributions as it determines are consistent with the maintenance of the low-rent character of projects.
- (3) Rentals or payments for dwellings shall be established and the projects administered, in so far as possible, to assure that any federal financial assistance required is strictly limited to amounts and periods necessary to maintain the low-rent character of the projects.
- (4) Nothing in this section limits the amount an authority may charge for nondwelling facilities.
- (5) All income and revenue described in this section shall be used in the operation of the projects to aid in accomplishing the public, governmental, and charitable purposes of this part.

Renumbered and Amended by Chapter 212, 2012 General Session