§ 1218. Pending actions and proceedings. 1. Provision shall be made in the agreement described in section eighteen hundred three of this title for the assumption by the city of the payment of judgments or claims based upon a cause of action arising prior to the date of transfer of transit facilities.

2. This title shall not affect any action or proceeding brought by or against the board of transportation, transit commission, or the former transit construction commissioner, public service commission for the first district, or the board of rapid transit railroad commissioners, and, upon application by the authority to the court, the authority shall be substituted as a party in such pending action or proceeding and such action or proceeding may be prosecuted or defended in the name of the authority. Any investigation, examination or hearing undertaken, commenced or instituted by the board of transportation, transit commission or the former transit construction commissioner or the public service commission for the first district or the board of rapid transit railroad commissioners before the time this title takes effect, and relating to a subject or matter, jurisdiction whereof was conveyed to the authority, may be conducted to final determination by the authority.