

CHAPTER 403A

MUNICIPAL HOUSING PROJECTS

Referred to in [§331.441](#), [384.24](#), [562A.27](#), [562B.5](#)

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403A.1 Short title.

[This chapter](#) shall be known and may be cited as the “*Municipal Housing Law*”.
[C62, 66, 71, 73, 75, 77, 79, 81, §403A.1]

403A.2 Definitions.

The following terms, wherever used or referred to in [this chapter](#), shall have the following respective meanings, unless a different meaning clearly appears from the context:

1. “Agency” or “municipal housing agency” shall mean a public agency created under the provisions of [section 403A.5](#).

2. An “agreement” of any municipality authorized by [this chapter](#) with respect to a housing project, means a resolution or resolutions of the governing body of such municipality setting forth the action to be taken or the matter determined. Such resolutions shall be deemed to be agreements made for the benefit of the holders of bonds then outstanding or thereafter issued in connection with such project and for the benefit of any person, firm, corporation, state public body or the federal government which has agreed or thereafter agrees to make a grant or annual contribution for or in aid of such project.

3. “Area of operation” includes all of a municipality and any area adjacent to and within one mile of such municipality, provided that the governing body of such adjacent area approves and consents.

4. “Bonds” means any bonds, notes, interim certificates, debentures or other obligations issued by a municipality pursuant to [this chapter](#).

5. “Clerk” means the clerk of the municipality or the officer charged with the duties customarily imposed on such clerk.

6. a. “Families of low income” means families who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe and sanitary dwellings for their use.

b. “Lower-income families” means families whose incomes do not exceed eighty percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

c. “Very low-income families” means families whose incomes do not exceed fifty percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

d. “Families” includes, but is not limited to, families consisting of a single person in the case of any of the following:

- (1) A person who is at least sixty-two years of age.
- (2) A person with a disability.
- (3) A displaced person.
- (4) The remaining member of a tenant family.

e. “Families” includes two or more persons living together, who are at least sixty-two years of age, are persons with a disability, or one or more such individuals living with another person who is essential to such individual’s care or well-being.

f. “Disability” means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, or having a physical or mental impairment which is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of a nature that the ability to live independently could be improved by more suitable housing conditions.

g. “Displaced” means displaced by governmental action, or having one’s dwelling extensively damaged or destroyed as a result of a disaster.

h. The municipality, by resolution, or the agency by rule shall establish further definitions applicable to [this subsection](#) as necessary to assure eligibility for funds available under federal housing laws.

7. “Federal government” includes the United States of America, the Public Housing Administration, or any other agency or instrumentality, corporate or otherwise of the United States of America.

8. a. “Housing project” or “project” means any work or undertaking to do any of the following:

- (1) To demolish, clear or remove buildings from any slum areas.
- (2) To provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for families of low income, lower-income families, or very low-income families.
- (3) To accomplish a combination of the foregoing.

b. Such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, utilities, parks, site preparation, landscaping, administrative, community, health, recreational, welfare or other purposes.

c. The term “housing project” or “project” also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, or repair of the improvements and all other work in connection therewith, and the term shall include all other real and personal property and all tangible or intangible assets held or used in connection with the housing project.

9. “Local governing body” shall mean the council or other legislative body charged with governing the municipality.

10. “Major disaster” means any flood, drought, fire, hurricane, earthquake, storm or other catastrophe which, in the determination of the governing body, is of sufficient severity and magnitude to warrant the use of available resources of the federal, state and local governments to alleviate the damage, hardship or suffering caused thereby.

11. “Mayor” means the mayor of the municipality or the officer thereof charged with the duties customarily imposed on the mayor or executive head of a municipality.

12. “Municipality” shall mean any city or county in the state.

13. “Obligee” includes any bondholder, agent or trustee for any bondholder, or lessor demising to a municipality, property used in connection with a project, or any assignee or assignees of such lessor’s interest or any part thereof, and the federal government when it is a party to any contract with the municipality in respect to a housing project.

14. “Persons engaged in national defense activities” means persons in the armed forces of the United States; employees of the department of defense; and workers engaged or to be engaged in activities connected with national defense. The term also includes the families of the persons, employees and workers who reside with them.

15. “*Real property*” includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years.

16. “*Slum*” means any area where dwellings predominate which by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health and morals.

17. “*State public body*” means any city, county, township, municipal corporation, commission, district or other subdivision or public body of the state.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.2]

96 Acts, ch 1129, §87; 2011 Acts, ch 34, §91

Referred to in §225C.45

403A.3 Powers.

Every municipality in addition to other powers conferred by this or any other chapter, shall have power:

1. To prepare, carry out, and operate housing projects and to provide for the construction, reconstruction, improvement, extension, alteration or repair of any housing project or any part thereof.

2. To undertake and carry out studies and analyses of the housing needs and of the meeting of such needs, including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages and other factors affecting the local housing needs and the meeting thereof, and to make the results of such studies and analyses available to the public and the building, housing, and supply industries; and to engage in research and disseminate information on housing and slum clearance.

3. To arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works or facilities for, or in connection with, a housing project or the occupants thereof; and, notwithstanding anything to the contrary contained in [this chapter](#) or in any other provision of law, to agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractor comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project.

4. To lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities embraced in any project and, subject to the limitations contained in [this chapter](#) with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor; to own, hold, and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property subject to [section 403A.20](#); to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein; to insure or provide for the insurance, in any stock or mutual company of any real or personal property or operations of the municipality against any risks or hazards; and to procure or agree to the procurement of federal or state government insurance or guarantees of the payment of any bonds or parts thereof issued by a municipality, including the power to pay premiums on any such insurance.

5. To invest any funds held in connection with a housing project in reserve or sinking funds, or any fund not required for immediate disbursement, in property or securities which banks designated as state depositories may use to secure the deposit of state funds; and to redeem its bonds at the redemption price established therein or to purchase its bonds at less than such redemption price, all bonds so redeemed or purchased to be canceled.

6. To determine where slum areas exist or where there is unsafe, insanitary or overcrowded housing; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of slum areas and the problem of eliminating unsafe,

insanitary or overcrowded housing and providing dwelling accommodations for persons of low income; and to cooperate with any state public body in action taken in connection with these problems.

7. To conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the state or unable to attend or excused from attendance; and to make available to appropriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety, or welfare.

8. To, within its area of operation, enter into any building or property in any municipal housing area in order to make inspections, surveys, appraisals, soundings or test borings, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted.

9. To exercise all or any part or combination of powers herein granted. No provision of law with respect to the acquisition, operation or disposition of property by public bodies shall be applicable to a municipality in its operations pursuant to [this chapter](#) unless the legislature shall specifically so state.

10. To cooperate with the Iowa finance authority, to participate in any of its programs, to use any of the funds available to the municipality for the uses of [this chapter](#) to contribute to such programs in which it participates, and to comply with the provisions of [chapter 16](#) and the rules of the Iowa finance authority promulgated thereunder.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.3]

2006 Acts, 1st Ex, ch 1001, §39, 49; 2007 Acts, ch 54, §34; 2015 Acts, ch 29, §49; 2016 Acts, ch 1011, §61

403A.4 Aid from federal government.

In addition to the powers conferred upon a municipality by other provisions of [this chapter](#), a municipality is empowered to borrow money or accept contributions, grants or other financial assistance from the federal government for or in aid of any housing project within its area of operation, to take over, lease or manage any project or undertaking constructed or owned by the federal government, and to these ends, to comply with such conditions and enter into such contracts, covenants, mortgages, trust indentures, leases or agreements as may be necessary, convenient or desirable. It is the purpose and intent of [this chapter](#) to authorize every municipality to do any and all things necessary or desirable to secure the financial aid or cooperation of the federal government in the undertaking, construction, maintenance or operation of any housing project by such municipality. To accomplish this purpose a municipality, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government any provisions, which the federal government may require as conditions to its financial aid of a housing project, not inconsistent with the purposes of [this chapter](#).

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.4]

403A.5 Exercise of municipal housing powers — municipal housing agency.

1. Any municipality may create, in such municipality, a public body corporate and politic to be known as the “Municipal Housing Agency” of such municipality except that such agency shall not transact any business or exercise its powers hereunder until or unless the local governing body has elected to exercise its municipal housing powers through such an agency as prescribed in [this section](#).

2. If the municipal housing agency is authorized to transact business and exercise powers hereunder, the mayor, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the municipal housing agency which board shall consist of five commissioners. The term of office for three of the commissioners originally appointed shall be two years and the term of office for two of the commissioners originally appointed

shall be one year. Thereafter the term of office for each commissioner shall be two years. In cities having a population of more than one hundred thousand, the city council may establish, by ordinance, the number of commissioners at not less than five.

3. A commissioner shall receive no compensation for services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of a duty. Each commissioner shall hold office until a successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk of the municipality, and the certificate shall be conclusive evidence of the due and proper appointment of the commissioner.

4. a. The powers of a municipal housing agency shall be exercised by the commissioners. A majority of the commissioners shall constitute a quorum for the purpose of conducting business and exercising the powers of the agency, and for all other purposes. Action may be taken by the agency upon a vote of a majority of the commissioners present, unless in any case the bylaws shall require a larger number. Any persons may be appointed as commissioners if they reside within the area of operation of the agency, which area shall be conterminous with the area of operation of the municipality, and if they are otherwise eligible for appointments under [this chapter](#).

b. The mayor shall designate a chairperson and vice chairperson from among the commissioners. An agency may employ an executive director, technical experts and such other agents and employees, permanent and temporary, as it may require, and the agency may determine their qualifications, duties, and compensation. For such legal service as it may require, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under [this chapter](#) shall file, with the local governing body, on or before September 30 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expense as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality, and that the report is available for inspection during business hours in the office of the city clerk and in the office of the agency.

c. For inefficiency, or neglect of duty, or misconduct in office, a commissioner may be removed by a majority vote of the governing body of the municipality only after a hearing before the body, and after the commissioner shall have been given a copy of the charges at least ten days prior to such hearing, and after the commissioner shall have had an opportunity to be heard in person or by counsel.

5. A municipality may itself exercise the powers in connection with municipal housing as defined in [this chapter](#), or may, if the local governing body by resolution determines such action to be in the public interest, elect to have such powers exercised by the municipal housing agency, if one exists or is subsequently established in the community. In the event the local governing body makes such determination, the municipal housing agency shall be vested with all of the municipal housing project powers in the same manner as though all such powers were conferred on such agency instead of the municipality. If the local governing body does not elect to make such determination, the municipality in its discretion may exercise its municipal housing project powers through a board or commissioner, or through such officers of the municipality as the local governing body may by resolution determine.

6. A municipality or a municipal housing agency may not proceed with a housing project until a study or a report and recommendation on housing available within the community is made public by the municipality or agency and is included in its recommendations for a housing project. Recommendations must receive majority approval from the local governing body before proceeding on the housing project.

[C58, §403.19; C62, 66, 71, 73, 75, 77, 79, 81, §403A.5]

[95 Acts, ch 114, §5](#); [2010 Acts, ch 1061, §158](#)

Referred to in [§403A.2](#), [403A.22](#)

403A.6 Operation of housing not for profit.

It is hereby declared to be the policy of this state that each municipality shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals or payments for dwelling accommodations at low rates consistent with its providing decent, safe and sanitary dwelling accommodations for persons of low income, and that no municipality shall construct or operate any housing project for profit, or as a source of revenue to the municipality. To this end the municipality shall fix the rentals or payments for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which, together with all other available moneys, revenues, income and receipts in connection with or for such projects from whatever sources derived, including federal financial assistance, will be sufficient to do all of the following:

1. To pay, as the same become due, the principal and interest on the bonds issued pursuant to [this chapter](#).
2. To create and maintain such reserves as may be required to assure the payment of principal and interest as it becomes due on such bonds.
3. To meet the cost of, and to provide for, maintaining and operating the projects, including necessary reserves therefor and the cost of any insurance, and of administrative expenses.
4. To make such payments in lieu of taxes and, after payment in full of all obligations for which federal annual contributions are pledged, to make such repayments of federal and local contributions as it determines are consistent with the maintenance of the low-rent character of projects. Rentals or payments for dwellings shall be established and the projects administered, insofar as possible, so as to assure that any federal financial assistance required shall be strictly limited to amounts and periods necessary to maintain the low-rent character of the projects.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.6]

[2008 Acts, ch 1032, §50](#)

Referred to in [§403A.7](#)

403A.7 Housing rentals and tenant admissions.

1. A municipality shall do the following:
 - a. Rent or lease the dwelling accommodations in a housing project only to persons or families of low income and at rentals within their financial reach.
 - 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 without overcrowding.
 - c. (1) Fix income limits for occupancy and rents after taking into consideration the following:
 - (a) The family size, composition, age, disabilities, and other factors which might affect the rent-paying ability of the person or family.
 - (b) The economic factors which affect the financial stability and solvency of the project.
 - (2) However, such determination of eligibility shall be within the limits of the income limits hereinbefore set out.

2. Nothing contained in [this section](#) or [section 403A.6](#) 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 for the housing project, free from all the restrictions imposed by [this section](#) or [section 403A.6](#).

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.7]

[96 Acts, ch 1129, §88, 113; 2008 Acts, ch 1032, §51; 2010 Acts, ch 1079, §16](#)

403A.8 Dwellings for disaster victims and defense workers.

Notwithstanding the provisions of this or any other chapter relating to rentals of, preferences or eligibility for admission to, or occupancy of dwellings in housing projects, during the period when a municipality determines that there is an acute need in its area of operation for housing to assure the availability of dwellings for persons engaged in national defense activities or for victims of a major disaster, a municipality may undertake

the development and administration of housing projects for the federal government, and dwellings in any housing project under the jurisdiction of the municipality may be made available to persons engaged in national defense activities or to victims of a major disaster, as the case may be. A municipality is authorized to contract with the federal government or the state or a state public body for advance payment or reimbursement for the furnishing of housing to victims of a major disaster, including the furnishing of the housing free of charge to needy disaster victims during any period covered by a determination of acute need by the municipality as herein provided.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.8]

403A.9 Cooperation between municipalities.

Any two or more municipalities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.9]

403A.10 Tax exemption and payments in lieu of taxes.

The property acquired or held pursuant to [this chapter](#) is declared to be public property used exclusively for essential city or municipal public and governmental purposes, and such property is hereby declared to be exempt from all taxes and special assessments of the state or of any state public body. In lieu of taxes on such property a municipality may agree to make payments to the state or a state public body, including to the municipality, as it finds consistent with the maintenance of the low-rent character of housing projects and the achievement of the purposes of [this chapter](#).

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.10]

[2017 Acts, ch 29, §111](#)

403A.11 Planning, zoning, and building laws — insulation requirements.

1. All housing projects of a municipality shall be subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the project is situated.

2. All dwellings which are part of housing projects and which are proposed to be rented to low-income families or the elderly through the programs of the United States department of housing and urban development shall have ceiling insulation having an R value of 38 in the attic, floor insulation having an R value of 20, or perimeter wall insulation having an R value of 10 beneath all habitable heated areas or over unheated spaces. In addition, basement walls shall have insulation with an R value of 6 to their full height, with insulation in the box sill having an R value of 20. As used in [this section](#), “R value” means resistance to heat flow.

3. The insulation requirements of [this section](#) are effective for all dwellings, the construction of which begins on or after July 1, 1991. For dwellings existing or under construction prior to July 1, 1991, the dwelling must comply with the insulation requirements of [this section](#) by June 30, 1996.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.11]

[91 Acts, ch 270, §5](#); [2017 Acts, ch 54, §76](#)

403A.12 Bonds.

1. A municipality shall have power to issue bonds from time to time in its discretion, for any of the purposes of [this chapter](#). A municipality shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. A municipality may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable exclusively from the income and revenues of the project financed with the proceeds of such bonds, or exclusively from the income and revenues of certain designated housing projects whether or not they are financed in whole or in part with the proceeds of such bonds. Any such bonds may be additionally secured by a pledge of any loan, grant or contribution or parts thereof from the federal government or other source, or a pledge of any income or revenues connected with a housing project or a mortgage of any housing project or

projects. The authority to issue bonds under [this subsection](#) does not limit the municipality's general authority to issue bonds for any of the purposes of [this chapter](#).

2. Neither the governing body of a municipality nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof hereunder. The bonds and other obligations issued under the provisions of [this chapter](#) shall be payable solely from the sources provided in [this section](#) and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The bonds and obligations shall state on their face that they are payable solely from the sources provided in [this section](#) and that they do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds issued pursuant to [this chapter](#) are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes. The tax exemption provisions of [this chapter](#) shall be considered part of the security for the repayment of bonds and shall constitute, by virtue of [this chapter](#) and without the necessity of the same being restated in said bonds, a contract between the bondholders and each and every one thereof, including all transferees of said bonds from time to time on the one hand and the respective municipalities issuing said bonds and the state on the other.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.12]

[2017 Acts, ch 29, §112](#)

Referred to in [§422.7\(2\)\(t\)](#)

403A.13 Form and sale of bonds.

1. Bonds of a municipality shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding that permitted by [chapter 74A](#), be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide.

2. The bonds may be sold at public or private sale at not less than par.

3. If the officers of the municipality whose signatures appear on any bonds or coupons shall cease to be such officers before the delivery of the bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if the officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to [this chapter](#) shall be fully negotiable.

4. In any suit, action or proceedings involving the validity or enforcement of any bond issued pursuant to [this chapter](#) or the security therefor, any such bond reciting in substance that it has been issued by the municipality pursuant to [this chapter](#) shall be conclusively deemed to have been issued for such purpose and the housing project in respect to which such bond was issued shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of [this chapter](#).

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.13]

[2016 Acts, ch 1011, §62](#)

403A.14 Provisions of bonds, trust indentures, and mortgages.

1. In connection with the issuance of bonds pursuant to [this chapter](#) or the incurring of obligations under leases made pursuant to [this chapter](#) 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 any part of its real or personal property, then owned or thereafter acquired or held pursuant to [this chapter](#).

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 chapter](#), 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 chapter](#) 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 bondholders 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 chapter](#), 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 and prescribe 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 or 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.

2. [This chapter](#) 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.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.14]

[2010 Acts, ch 1061, §180; 2016 Acts, ch 1011, §63](#)

403A.15 Remedies of an obligee.

An obligee of a municipality shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee.

1. By mandamus, suit, action or proceeding at law or in equity to compel said municipality to perform each and every term, provision and covenant contained in any contract of said municipality with or for the benefit of such obligee, and to require the carrying out of any

or all such covenants and agreements of said municipality and the fulfillment of all duties imposed by [this chapter](#).

2. By suit, action or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said municipality.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.15]

403A.16 Additional remedies conferrable by a municipality.

A municipality shall have power by its resolution, trust indenture, mortgage, lease, or other contract to confer upon any obligee the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instrument, by suit, action, or proceeding in any court of competent jurisdiction to:

1. Cause possession of any housing project or any part thereof to be surrendered to any such obligee.

2. Obtain the appointment of a receiver of any housing project of said municipality or any part thereof and of the rents and profits therefrom, and provide that, if a receiver be appointed, the receiver may enter and take possession of such housing project or any part thereof and operate and maintain same, and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of the municipality as the court shall direct.

3. Require said municipality and the officers, agents, and employees thereof to account as if it and they were the trustees of an express trust.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.16]

[2016 Acts, ch 1011, §64](#)

403A.17 Exemption of property from execution sale.

All property, including funds, owned or held by a municipality for the purposes of [this chapter](#) shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the municipality be a charge or lien upon such property. However, the provisions of [this section](#) shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage or other security executed or issued pursuant to [this chapter](#) or the right of obligees to pursue any remedies for the enforcement of any pledge or lien on rents, fees, or revenues or the right of the federal government to pursue any remedies conferred upon it pursuant to the provisions of [this chapter](#).

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.17]

[2016 Acts, ch 1011, §65](#)

403A.18 Transfer of possession or title to federal government.

In any contract with the federal government for annual contributions to a municipality, the municipality may obligate itself, which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other law, to convey to the federal government possession of or title to the housing project to which such contract relates, upon the occurrence of a substantial default as defined in such contract with respect to the covenant or conditions to which the municipality is subject. The contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the housing project and funds in accordance with the terms of the contract, provided that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to the housing project have been cured and that the housing project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the municipality the housing project as then constituted.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.18]

[2016 Acts, ch 1011, §66](#); [2017 Acts, ch 29, §113](#)

403A.19 Certificate of state auditor.

The municipality may submit to the state auditor a certified copy of the proceedings for the issuance of any bonds hereunder, including the form of such bonds. Upon the submission of these documents to the state auditor, it shall be the duty of the state auditor to pass upon the validity of such bonds and the regularity of all proceedings in connection therewith. If such proceedings conform to the provisions of [this chapter](#) and are otherwise regular in form and if such bonds when delivered and paid for will constitute binding and legal obligations enforceable according to the terms thereof, the state auditor shall so certify in an opinion addressed to the municipality.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.19]

403A.20 Condemnation of property.

A municipality shall have the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with a municipal housing project under [this chapter](#), subject to the limitations on eminent domain authority in [chapter 6A](#). A municipality shall exercise the power of eminent domain in the manner provided in [chapter 6B](#). Property already devoted to a public use may be acquired in like manner. However, real property belonging to the state, or any political subdivision thereof, shall not be acquired without its consent, and real property or any right or interest in the property owned by any public utility company, pipeline company, railway or transportation company vested with the right of eminent domain under the laws of this state shall not be acquired without the consent of the company, or without first securing, after due notice to the company and after hearing, a certificate authorizing condemnation of such property from the board, commission, or body having the authority to grant a certificate authorizing condemnation.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.20]

[2006 Acts, 1st Ex, ch 1001, §40, 49](#)

Referred to in [§403A.3](#)

403A.21 Cooperation in undertaking housing projects.

1. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing projects located within the area in which it is authorized to act, any state public body may upon such terms, with or without consideration, as it may determine:

a. Dedicate, sell, convey, or lease any of its interest in any property or grant easements, licenses or any other rights or privileges therein to any municipality, or to the federal government.

b. Cause parks, playgrounds, recreational community, educational, water, sewer or drainage facilities or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects.

c. Furnish, dedicate, close, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks or other places which it is otherwise empowered to undertake.

d. Cause services to be furnished for housing projects of the character which such state public body is otherwise empowered to furnish.

e. Enter into agreements with respect to the exercise by such state public body of its powers relating to the repair, elimination or closing of unsafe, insanitary or unfit dwellings.

f. Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such housing projects.

g. Incur the entire expense of any public improvements made by such state public body in exercising the powers granted in [this chapter](#).

h. Enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with any municipality respecting action to be taken by such state public body pursuant to any of the powers granted by [this chapter](#). If at any time title to, or possession of, any project is held by any public body or governmental agency authorized by law to engage in the development or administration of municipal housing or slum clearance projects, including any agency or instrumentality of the United States of

America, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency.

2. Any law or statute to the contrary notwithstanding, any sale, conveyance, lease, or agreement provided for in [this section](#) may be made by a state public body without appraisal, public notice, advertisement, or public bidding.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.21]

[2011 Acts, ch 25, §39](#)

403A.22 Personal interest prohibited.

No public official or employee of a municipality or board or commission thereof and no commissioner or employee of a municipal housing agency which has been vested with municipal housing project powers under [section 403A.5](#), shall voluntarily acquire any personal interest, as hereinafter defined, whether direct or indirect, in any municipal housing project, or in any property included or planned to be included in any municipal housing project of such municipality, or in any contract or proposed contract in connection with such municipal housing project. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body. If any such official, commissioner or employee presently owns or controls, or has owned or controlled within the preceding two years, any interest, as hereinafter defined, whether direct or indirect, in any property which it is known is included or planned to be included in a municipal housing project, the commissioner shall immediately disclose this fact in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body; and any such official, commissioner or employee shall not participate in any action by the municipality, or board or commission thereof affecting such property, as the terms of such proscription are hereinafter defined. For the purposes of [this section](#) the following definitions and standards of construction shall apply:

1. “*Action affecting such property*” shall include only that action directly and specifically affecting such property as a separate property but shall not include any action of which any benefits accrue to the public generally, or which affects all or a substantial portion of the properties included or planned to be included in such a project.

2. Employment by a state public body, its agencies, and institutions or by any other person as defined in [section 403.17, subsection 18](#), having such an interest shall not be deemed an interest by such employee or of any ownership or control by such employee of interests of the employee’s employer. Such an employee may participate in a municipal housing project so long as any benefits of such participation accrue to the public generally, such participation affects all or a substantial portion of the properties included or planned to be included in such a project, or such participation promotes the public purposes of such project, and shall limit only that participation by an employee which directly or specifically affects property in which an employer of an employee has an interest.

3. The word “*participation*” shall be deemed not to include discussion or debate preliminary to a vote by a local governing body or agency upon proposed ordinances or resolutions relating to such a project or any abstention from such a vote.

4. The designation of a bank or trust company as a depository, paying agent, or agent for investment of funds shall not be deemed a matter of interest or personal interest.

5. Stock ownership in a corporation having such an interest shall not be deemed an interest of, or ownership or control by, the person owning such stocks when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by such person.

6. The word “*action*” shall not be deemed to include resolutions advisory to the local governing body or agency by any citizens group, board, body, or commission designated to serve a purely advisory function of approving or recommending under [this chapter](#).

7. The limitations of [this section](#) shall be construed to permit action by a public official, commissioner, or employee where any benefits of such action accrue to the public generally, such action affects all or a substantial portion of the properties included or planned to be included in such a project, or such action promotes the public purposes of such project, and

shall be construed to limit only that action by a public official, commissioner, or employee which directly or specifically affects property in which such official, commissioner, or employee has an interest or in which an employer of such official, commissioner, or employee has an interest. Any violation of the provisions of [this section](#) shall constitute misconduct in office, but no ordinance or resolution of a municipality or agency shall be invalid by reason of a vote or votes cast in violation of the standards of [this section](#) unless such vote or votes were decisive in the passage of such ordinance or resolution.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.22]

[2000 Acts, ch 1154, §28](#)

403A.23 Eligibility of persons receiving public assistance.

Any statute to the contrary notwithstanding, no person otherwise eligible to be a tenant in a municipal housing project, shall be declared ineligible or denied occupancy in the municipal housing project merely because the person is receiving in some form public assistance including but not limited to federal supplemental security income or state supplementary assistance as defined by [section 249.1](#), unemployment compensation, or social security.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.23]

[2023 Acts, ch 19, §1115](#)

Section amended

403A.24 Chapter controlling.

The provisions of [this chapter](#) shall be controlling, notwithstanding anything to the contrary contained in any other law of this state, or local ordinance. Any action of a municipality or the governing body thereof in carrying out the purposes of [this chapter](#), whether by resolution, ordinance or otherwise, shall be deemed administrative in character, and no public notice or publication need be made with respect to such action taken.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.24]

403A.25 and 403A.26 Reserved.

403A.27 Percentage of rent as taxes.

Any provision of [this chapter](#) notwithstanding, no housing project shall be approved unless as a condition at least ten percent of all rents and supplemental rental aid shall be paid annually as taxes to the office of the treasurer in the respective county in which said project is located, except as to the use of dwelling units in existing structures leased from private owners.

[C71, 73, 75, 77, 79, 81, §403A.27]

403A.28 Public hearing required.

The municipal housing agency shall not undertake any low-cost housing project until such time as a public hearing has been called, at which time the agency shall advise the public of the name of the proposed project, its location, the number of living units proposed and their approximate cost. Notice of the public hearing on the proposed project shall be published at least once in a newspaper of general circulation within the municipality, at least fifteen days prior to the date set for the hearing.

[C73, 75, 77, 79, 81, §403A.28]