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