

225C.45 Public housing program.

1. The department may establish a public housing program to apply for, receive, and administer federal assistance, grants, and other public or private funds for purposes related to providing housing.

2. In implementing the public housing program, the department may do all of the following:

a. Prepare, implement, and operate housing projects and provide for the construction, improvement, extension, alteration, or repair of a housing project under the department's jurisdiction.

b. Develop and implement studies, conduct analyses, and engage in research concerning housing and housing needs. The information obtained from these activities shall be made available to the public and to the building, housing, and supply industries.

c. Cooperate with the Iowa finance authority, participate in any of the authority's programs, and use any funds obtained pursuant to [subsection 1](#) to participate in the authority's programs. The department shall comply with rules adopted by the authority as the rules apply to the housing activities of the department.

3. In accepting contributions, grants, or other financial assistance from the federal government relating to a housing activity of the department, including construction, operation, or maintenance, or in managing a housing project or undertaking constructed or owned by the federal government, the department may do any of the following:

a. Comply with federally required conditions or enter into contracts or agreements as necessary, convenient, or desirable.

b. Take any other action necessary or desirable in order to secure the financial aid or cooperation of the federal government.

c. Include in a contract with the federal government for financial assistance any provision which the federal government may require as a condition of the assistance that is consistent with the provisions of [this section](#).

4. The department shall not proceed with a housing project pursuant to [this section](#), unless both of the following conditions are met:

a. A study for a report which includes recommendations concerning the housing available within a community is publicly issued by the department. The study shall be included in the department's recommendations for a housing project.

b. The department's recommendations are approved by a majority of the city council or board of supervisors with jurisdiction over the geographic area affected by the recommendations.

5. Property acquired or held pursuant to [this section](#) is public property used for essential public purposes and is declared to be exempt from any tax or special assessment of the state or any state public body as defined in [section 403A.2](#). In lieu of taxes on the property, the department may agree to make payments to the state or a state public body, including but not limited to the department, as the department finds necessary to maintain the purpose of providing low-cost housing in accordance with [this section](#).

6. Any property owned or held by the department pursuant to [this section](#) is exempt from levy and sale by execution. An execution or other judicial process shall not be issued against the property and a judgment against the department shall not be a lien or charge against the property. However, the provisions of [this subsection](#) shall not apply to or limit the right of the federal government to pursue any remedies available under [this section](#). The provisions of [this subsection](#) shall also not apply to or limit the right of an obligee to take either of the following actions:

a. Foreclose or otherwise enforce a mortgage or other security executed or issued pursuant to [this section](#).

b. Pursue remedies for the enforcement of a pledge or lien on rents, fees, or revenues.

7. In any contract with the federal government to provide annual payments to the department, the department may obligate itself to convey to the federal government possession of or title to the housing project in the event of a substantial default as defined in the contract and with respect to the covenant or conditions to which the department is

subject. The obligation shall be specifically enforceable and shall not constitute a mortgage. The contract may also provide that in the event of a 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. However, the contract shall require that, as soon as is practicable after the federal government is satisfied that all defaults with respect to the housing project are cured and the housing project will be operated in accordance with the terms of the contract, the federal government shall reconvey the housing project to the department.

8. The department shall not undertake a housing project pursuant to [this section](#) until a public hearing has been held. At the hearing, the department shall notify the public of the proposed project's name, location, number of living units proposed, and approximate cost. Notice of the public hearing shall be published at least once in a newspaper of general circulation at least fifteen days prior to the date set for the hearing.

[92 Acts, ch 1128, §2](#); [94 Acts, ch 1170, §21](#); [95 Acts, ch 82, §3](#); [2023 Acts, ch 19, §465](#)

Referred to in [§225C.4](#)

Section amended