

CHAPTER 499A MULTIPLE HOUSING

Referred to in [§441.21](#), [489.102](#), [490.1801](#), [499C.1](#), [501A.102](#), [558.72](#), [558B.1](#), [572.31](#), [669.14](#)

1991 additions, amendments, and repeals apply to cooperatives organized on or after December 1, 1990; for prior law, see Code 1991; [91 Acts, ch 30, §18](#)

	SUBCHAPTER I		
	COOPERATIVE HOUSING ACT		
499A.1	Articles.	499A.18A	Upkeep of the cooperative.
499A.2	Powers — duration.	499A.19	Election of directors.
499A.2A	Bylaws.	499A.20	and 499A.21 Reserved.
499A.3	Members.	499A.22	Lien for assessments.
499A.3A	Meetings of members.	499A.23	Effect of documents and instruments.
499A.3B	Notice of members meetings.	499A.24	Reserved.
499A.3C	Voting.	499A.25	Title of Act.
499A.4	Dividends.	499A.26	through 499A.100 Reserved.
499A.5	and 499A.6 Reserved.		
499A.7	Reorganizing prior to expiration of term.		SUBCHAPTER II
499A.8	Reorganizing after expiration of term.		LOW-INCOME OR SWEAT EQUITY HOUSING COOPERATIVES
499A.9	Amendments of articles.	499A.101	Definitions.
499A.10	Record — effect.	499A.102	Local housing authority.
499A.11	Ownership — certificate of membership.	499A.103	Low-income participants.
499A.12	and 499A.13 Reserved.	499A.104	Sweat equity housing cooperative association.
499A.14	Taxation.	499A.105	Association financing.
499A.15	through 499A.17 Reserved.	499A.106	Reimbursement of sweat equity contribution.
499A.18	Homestead.		

SUBCHAPTER I COOPERATIVE HOUSING ACT

Referred to in [§499A.104](#)

499A.1 Articles.

1. Any two or more persons of full age, a majority of whom are citizens of the state, may organize themselves for the following or similar purposes: Ownership of residential, business property on a cooperative basis. A corporation or limited liability company is a person within the meaning of [this chapter](#). The organizers shall adopt, and sign and acknowledge the articles of incorporation, stating the name by which the cooperative shall be known, the location of its principal place of business, its business or objects, the number of directors to conduct the cooperative’s business or objects, the names of the directors for the first year, the time of the cooperative’s annual meeting, the time of the annual meeting of its directors, and the manner in which the articles may be amended. The articles of incorporation shall be filed with the secretary of state who shall, if the secretary approves the articles, endorse the secretary of state’s approval on the articles, record the articles, and forward the articles to the county recorder of the county where the principal place of business is to be located, and there the articles shall be recorded, and upon recording be returned to the cooperative. The articles shall not be filed by the secretary of state until a filing fee of five dollars together with a recording fee of fifty cents per page is paid, and upon the payment of the fees and the approval of the articles by the secretary of state, the secretary shall issue to the cooperative a certificate of incorporation as a cooperative not for pecuniary profit. The county recorder shall collect recording fees pursuant to [section 331.604](#) for articles forwarded for recording under [this section](#).

2. Amendments to the articles shall be filed and receive approval as provided in [this](#)

chapter for articles, and the fee for amendments shall be five dollars in each instance. An amendment is not effective until the amendment is approved and the fee is paid.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.1]

91 Acts, ch 30, §1; 2009 Acts, ch 27, §27; 2014 Acts, ch 1095, §1, 6

499A.2 Powers — duration.

Upon filing such articles the persons signing and acknowledging the same and their associates and successors shall become a body corporate with the name therein stated and shall have power:

1. To have perpetual succession by its name, unless a limited period of duration is stated in its articles of incorporation, or they are sooner dissolved by three-fourths vote of all the members thereof, or by act of the general assembly or by operations of law.

2. To sue and be sued in its corporate name.

3. To build and construct apartment houses or dwellings.

4. To purchase, take, receive, lease as lessee, take by gift, devise or bequest, or otherwise acquire, and to own, hold, use and otherwise deal in and with any real or personal property or any interest therein.

5. To sell, convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets.

6. To make contracts and incur liabilities which may be appropriate to enable it to accomplish any or all of its purposes; to borrow money for its corporate purposes at such rates of interest as the cooperative may determine, to issue its notes, bonds and other obligations; and to secure any of its obligations by mortgage, pledge, or deed of trust of all or any of its property.

7. To elect or appoint officers and agents of the cooperative, and to define their duties and fix their compensation.

8. To make and alter bylaws not inconsistent with its articles of incorporation or with the laws of this state, for the administration and the regulation of the affairs of the cooperative.

9. To cease its cooperative activities and surrender its cooperative franchise.

10. To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the cooperative is organized.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.2]

91 Acts, ch 30, §16

499A.2A Bylaws.

1. The initial bylaws of the cooperative shall be adopted by the cooperative's board of directors. Prior to the admission of members to the cooperative, the power to alter, amend, or repeal the bylaws or adopt new bylaws is vested in the board of directors. Following the admission of members to the cooperative, the power to alter, amend, or repeal the bylaws or adopt new bylaws is vested in the members in accordance with the method set forth in the bylaws.

2. The bylaws may contain any provisions for the regulation and management of the affairs of the cooperative not inconsistent with law or the articles of incorporation. However, the bylaws must provide for:

a. The number of members of the board of directors and the term of the members.

b. The election of a president, vice president, treasurer, and secretary by the board of directors.

c. The qualifications, powers and duties, terms of office, and manner of electing and removing board members and officers and filling vacancies of such members.

d. The method of amending the bylaws.

91 Acts, ch 30, §7; 2012 Acts, ch 1023, §157

499A.3 Members.

A cooperative shall have only one class of members. The designation of that class and the rights of the members of the class shall be set forth in the articles of incorporation or

the bylaws. The cooperative must issue membership certificates evidencing the ownership interest of each member of the cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.3]

[91 Acts, ch 30, §2](#)

499A.3A Meetings of members.

1. Meetings of members may be held at such places as may be provided in the articles of incorporation or the bylaws, or as may be fixed from time to time in accordance with the provisions of the articles or the bylaws. In the absence of any such provision, all meetings shall be held at the registered office of the cooperative.

2. An annual meeting of the members shall be held at such time as may be provided in the articles of incorporation or the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the cooperative.

3. Special meetings of the members may be called by the president or by the board of directors. Special meetings of the members may also be called by such officers or persons, or by a number or proportion of members as may be provided in the articles of incorporation or the bylaws. In the absence of a provision fixing the number or proportion of members entitled to call a meeting, a special meeting of members may be called by members having one-twentieth of the votes entitled to be cast at the meeting.

[91 Acts, ch 30, §8; 2018 Acts, ch 1041, §127](#)

499A.3B Notice of members meetings.

Unless the articles of incorporation or the bylaws otherwise provide, written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered no less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each member entitled to vote at the meeting. If mailed, notice is deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the cooperative, with postage prepaid.

[91 Acts, ch 30, §9](#)

499A.3C Voting.

1. Each member is entitled to one vote on each matter submitted to a vote of the members. A membership interest in the cooperative jointly owned by two or more persons is nevertheless entitled to one vote.

2. A member entitled to vote may vote in person or by proxy in the manner prescribed in the bylaws.

[91 Acts, ch 30, §10; 2018 Acts, ch 1041, §127](#)

499A.4 Dividends.

A dividend or distribution of property among the members shall not be made until dissolution of the cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.4]

[91 Acts, ch 30, §3](#)

499A.5 and 499A.6 Reserved.

499A.7 Reorganizing prior to expiration of term.

The directors or members of any cooperative organized under [this chapter](#) may reorganize the cooperative, and all the property and rights of the cooperative shall vest in the cooperative as reorganized.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.7]

[91 Acts, ch 30, §4](#)

499A.8 Reorganizing after expiration of term.

When the term of a cooperative organized under [this chapter](#) has expired, but the organization has continued to act as such cooperative, the directors or members thereof may reorganize, and the property and rights therein shall vest in the reorganized cooperative for the use and benefit of all of the members in the original cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.8]

[91 Acts, ch 30, §16](#)

499A.9 Amendments of articles.

Any cooperative organized under [this chapter](#) may change its name or amend its articles of incorporation by a vote of a majority of the members, in such manner as may be provided in its articles; but if no such provision is made in the articles the same may be amended at any regular meeting or special meeting called for that purpose by the president or secretary or a majority of the board of directors. Notice of any meeting at which it is proposed to amend the articles of incorporation, shall be given by mailing to each member at the member's last known post office address at least ten days prior to such meeting, a notice signed by the secretary setting forth the proposed amendments in substance, or by two publications of said notice in some daily or weekly newspaper in general circulation in the county wherein said cooperative has its principal place of business. The last publication of said notice shall be not less than ten days prior to the date of said meeting. There shall be paid to the secretary of state at the time of the filing of such change or amendment a recording fee of fifty cents per page.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.9]

[91 Acts, ch 30, §16](#)

Referred to in [§499A.10](#)

499A.10 Record — effect.

The change or amendment provided for in [section 499A.9](#) shall be recorded as the original articles are recorded. From the date of filing such change or amendment for record, the provisions of said section having been complied with, the change or amendment shall take effect as a part of the original articles, and the cooperative thus constituted shall have the same rights, powers and franchises, be entitled to the same immunities, and liable upon all contracts to the same extent, as before such change or amendment.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.10]

[91 Acts, ch 30, §16](#)

499A.11 Ownership — certificate of membership.

The cooperative has the right to purchase real estate for the purpose of erecting, owning, and operating apartment houses or apartment buildings. The interest of each individual member in the cooperative shall be evidenced by the issuance of a certificate of membership. The certificate of membership is coupled with a possessory interest in the real and personal property of the cooperative, entitling each member to a proprietary lease with the cooperative under which each member has an exclusive possessory interest in an apartment unit and a possessory interest in common with all other members in that portion of the cooperative's real and personal property not constituting apartment units, and which creates a legal relationship of landlord and tenant between the cooperative and member. The certificate of membership shall be executed by the president of the cooperative and attested by its secretary in the name and in the behalf of the cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.11]

[91 Acts, ch 30, §5](#)

499A.12 and 499A.13 Reserved.**499A.14 Taxation.**

The real estate shall be taxed in the name of the cooperative, and each member of the cooperative shall pay that member's proportionate share of the tax in accordance with the proration formula set forth in the bylaws, and each member occupying an apartment as a

residence shall receive that member's proportionate homestead tax exemption and credit and each veteran of the military services of the United States identified as such under the laws of the state of Iowa or the United States shall receive as a credit that member's veterans tax benefit as prescribed by the laws of the state of Iowa.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.14]

[91 Acts, ch 30, §6](#); [2023 Acts, ch 71, §46, 48, 49](#)

Homestead credit, [chapter 425](#)

Veterans exemption, [§426A.11](#)

2023 amendment applies retroactively to assessment years beginning on or after January 1, 2023; 2023 Acts, ch 71, §49

499A.15 through 499A.17 Reserved.

499A.18 Homestead.

Each individual apartment constitutes a homestead and is exempt from execution, provided the member otherwise qualifies within the laws of the state of Iowa for such exemption.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.18]

[91 Acts, ch 30, §13](#)

499A.18A Upkeep of the cooperative.

It is the duty of the cooperative to maintain generally all portions of the cooperative's real property other than the apartment units. The maintenance, repair, and replacement costs of the cooperative's real property shall be contributed to by each of the members in accordance with the proration formula set forth in the bylaws. Each member is responsible for maintenance and repair of the person's apartment unit in the manner provided for in the bylaws and as prescribed by each member's proprietary lease.

[91 Acts, ch 30, §11](#)

499A.19 Election of directors.

1. The directors shall be elected by the members of the cooperative. The election of officers shall be made by the board of directors. The annual election of the directors shall be held during the month of January of each year, and they shall serve until their successors are elected and qualified.

2. The board of directors shall elect as officers, a president, a vice president, a secretary, and a treasurer.

3. It is the duty of the secretary to keep the records of the cooperative, and a correct list of the members, and all such records shall be submitted to any member upon demand at any reasonable time.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.19]

[91 Acts, ch 30, §14](#); [2018 Acts, ch 1041, §127](#)

499A.20 and 499A.21 Reserved.

499A.22 Lien for assessments.

1. *a.* The cooperative has a lien on a member's interest in the cooperative for all operating charges or other assessments payable by the member pursuant to the member's proprietary lease from the time the operating charge or other assessment becomes due. If carrying charges and assessments are payable in installments, the full amount of the charge or assessment is a lien from the first time the first installment becomes due. Upon nonpayment of a carrying charge or assessment, the member may be evicted from the member's apartment unit in the same manner as provided by law in the case of an unlawful holdover by a tenant and the lien may be foreclosed by judicial sale in like manner as a mortgage on real estate, or may be foreclosed by the power of sale provided in [this section](#).

b. A lien under [this section](#) is prior to all other liens and encumbrances on a member's cooperative interest except liens and encumbrances on the cooperative's real property which the cooperative creates, assumes, or takes subject to, and liens for real estate taxes and other governmental assessments or charges against the cooperative or the member's cooperative interest.

2. The cooperative, upon a member's nonpayment of carrying charges and assessments and the cooperative's compliance with [this section](#), may sell the defaulting member's cooperative interest. Sale may be at a public sale or by private negotiation, and at any time and place, but every aspect of the sale, including the method, advertising, time, place, and terms must be reasonable. The cooperative shall give to the member and any sublessees of the member reasonable written notice of the time and place of a public sale or, if a private sale is intended, of the intention of entering into a contract to sell and of the time after which a private disposition may be made. The same notice shall also be sent to any other person who has a recorded interest in the defaulting member's cooperative interest which would be extinguished by the sale. The notices required by [this subsection](#) may be sent to any address reasonable under the circumstances. Sale may not be held until five weeks after the sending of the notice. The cooperative may buy at a public sale, and, if the sale is conducted by a fiduciary or other person not related to the cooperative, at a private sale.

3. a. The proceeds of a sale under the preceding subsection shall be applied in the following order:

(1) The reasonable expenses of sale.

(2) The reasonable expenses of securing possession before sale, and the reasonable expenses of holding, maintaining, and preparing the cooperative interest for sale. These expenses include, but are not limited to, the payment of taxes and other governmental charges, premiums on liability insurance, and to the extent provided for by agreement between the cooperative and the member, reasonable attorney fees and other legal expenses incurred by the cooperative.

(3) Satisfaction of the cooperative's lien.

(4) Satisfaction in the order of priority of any subordinate claim of record.

(5) Remittance of any excess to the member.

b. Unless otherwise agreed, the member is liable for any deficiency.

4. If a cooperative interest is sold pursuant to [this section](#), a good faith purchaser for value acquires the member's interest in the cooperative free of the debt that gave rise to the lien under which the sale occurred, and free of any subordinate interest.

5. At any time before the cooperative has disposed of the cooperative interest or entered into a contract for its disposition under the power of sale, the member or the holder of any subordinate security interest may cure the member's default and prevent sale or other disposition by tendering the performance due, including any amounts due arising from the exercise of the rights under [this section](#), plus the reasonable expenses of proceeding to foreclosure incurred to the time of tender, including reasonable attorney fees of the creditor.

6. The property of a member other than the member's membership interest in the cooperative is not subject to claims of the cooperative's creditors, whether or not the member's membership interest is subject to those claims.

[191 Acts, ch 30, §12; 2012 Acts, ch 1023, §97](#)

499A.23 Effect of documents and instruments.

1. Unless amended or terminated by [this chapter](#) or by the following documents or instruments, all terms, conditions, covenants, and provisions contained in the following documents or instruments shall remain in full force and effect as long as the cooperative remains in existence:

a. The articles of incorporation of the cooperative and any amendments thereto.

b. The bylaws of the cooperative and any amendments thereto.

c. Any proprietary leases, contracts, or other agreements between the cooperative and a member of the cooperative or between members of the cooperative.

d. Any property interests created by any documents or instruments specified in paragraph "a", "b", or "c".

2. A document or instrument specified in [subsection 1](#), and any property interests created by such document or instrument, shall not be extinguished, limited, or impaired by application of [section 558.68](#) or [614.24](#).

[2014 Acts, ch 1095, §2, 6](#)

Referred to in [§558.68, 614.24](#)

499A.24 Reserved.

499A.25 Title of Act.

[This subchapter](#) shall be known and cited as “*The Cooperative Housing Act*”.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.20]

[91 Acts, ch 30, §15](#)

CS91, §499A.25

499A.26 through 499A.100 Reserved.

SUBCHAPTER II

LOW-INCOME OR SWEAT EQUITY HOUSING COOPERATIVES

499A.101 Definitions.

As used in [this subchapter](#), unless the context otherwise requires:

1. “*Advisor*” means a member of the association’s advisory committee.
2. “*Association*” means a sweat equity housing cooperative association created pursuant to [this subchapter](#).
3. “*Authority*” means a local housing authority created pursuant to [section 499A.102](#).
4. “*Low income*” means the income of “*very low income families*” as defined in [section 16.1](#).
5. “*Partner*” means a low-income sweat equity member of the association, and member of the sweat equity partners’ committee.
6. “*Sweat equity*” means any contribution made by a partner to the operations of the association, including but not limited to physical labor.
[90 Acts, ch 1120, §1](#)

499A.102 Local housing authority.

1. A local housing authority may be created to encourage and assist the formation of housing cooperatives under [this chapter](#). The following persons are authorized to form an authority, separately, or in combination with other authorized persons:
 - a. A city.
 - b. A county.
 - c. A nonprofit community organization.
 - d. A nonprofit religious organization.
2. The local housing authority shall be funded from the following sources:
 - a. State grants, loans, or other appropriations administered by the Iowa finance authority.
 - b. Funds solicited from third parties by the local housing authority.
 - c. Local government appropriations to the local housing authority.
 - d. Any other available sources, including but not limited to bequests, devises, and federal moneys.
3. The Iowa finance authority may provide assistance for initial organization of local housing authorities.
[90 Acts, ch 1120, §2](#)
Referred to in [§499A.101](#)

499A.103 Low-income participants.

The local housing authority shall recruit low-income persons to participate as sweat equity partners in a housing cooperative association organized by the local housing authority.

[90 Acts, ch 1120, §3](#)

499A.104 Sweat equity housing cooperative association.

1. The local housing authority may form one or more sweat equity housing cooperative associations under [this chapter](#). A sweat equity housing cooperative association shall operate

as a multiple housing cooperative association under [subchapter I](#), except as specifically provided otherwise under [this subchapter](#).

2. A sweat equity housing cooperative association shall meet the following additional conditions:

a. A sweat equity partners' committee shall be established, with each partner entitled to one vote on the committee.

b. The sweat equity committee shall hold twenty-five percent of the stock of the association upon incorporation of the association.

c. An advisory committee shall be established, made up of equity investors, skill contributors, and other community representatives including, but not limited to:

- (1) Tradesperson volunteers.
- (2) Community college trade representatives and business educators.
- (3) Financial and legal advisors to association management.

d. The advisory committee shall hold seventy-five percent of the stock of the association upon incorporation of the association.

3. The association shall be controlled by the board of directors, with representation of partners and advisors on the board proportional to each group's equity interest at the time of the last election of directors to the board.

4. An association shall do all of the following:

a. Acquire existing housing or small business building stock in need of rehabilitation.

b. Establish a rehabilitation plan, which shall include, but not be limited to, all of the following elements:

- (1) Statement of purpose.
- (2) Financial plan.
- (3) Construction timetable.
- (4) Materials schedule.
- (5) Construction training program schedule for partners. If a contract is executed with a person to perform skilled labor or to supervise skilled work, the person must be certified by an organization recognized as representing a membership of persons with common skills.
- (6) Financial and managerial training program for partners.
- (7) Bylaws of the association.
- (8) A contract between the partners and advisors including the terms of transfer of stock from the advisory committee to the partners' committee.

c. Establish a program to ensure that partners are equipped with skills necessary for full participation in society.

d. Encourage participation by partners in the activities of the community.

[90 Acts, ch 1120, §4; 2001 Acts, ch 61, §17](#)

Referred to in [§499A.105](#)

499A.105 Association financing.

1. *Organizational and construction phase.* Upon incorporation, and after adoption of a rehabilitation plan pursuant to [section 499A.104](#), the association may apply to the Iowa finance authority or other sources for financial assistance. The Iowa finance authority shall review the rehabilitation plan, and subject to the availability of moneys, may approve for the association state grants, loans, or other appropriations administered by the Iowa finance authority.

2. *Stock transfer.* Advisory committee stock shall be transferred to the partners' committee for distribution to partners in accordance with the terms of the rehabilitation plan contract.

3. *Operational phase.* Upon completion of the rehabilitation plan and implementation of the contract, the association shall be wholly owned by partners. The partners shall rent space only to other association partners. New partners may be admitted subject to completion of required partner training programs and sweat equity contributions, as required by the association's bylaws. Partners shall make mortgage payments in proportion to their equity interest in the property, with total payments sufficient to repay the mortgage loan, maintain the property, and accumulate a capital reserve fund for future repairs and improvements. The

capital reserve fund and enforcement of partner obligations is the responsibility of the board of directors.

[90 Acts, ch 1120, §5](#)

499A.106 Reimbursement of sweat equity contribution.

The association shall establish criteria for the reimbursement of a partner terminating membership in the association, in accordance with the partner's sweat equity contribution.

[90 Acts, ch 1120, §6](#)