

CHAPTER 1187**IOWA HOUSING FINANCE AUTHORITY***S.F. 2253*

AN ACT relating to the Iowa housing finance authority, effective upon publication.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 220.1, subsection 11, paragraph a, Code 1981, is amended to read as follows:

a. "Housing" means single family and multi-family dwellings, and facilities incidental or appurtenant to the dwellings, and includes ~~noninstitutional residential group homes of fifteen beds or less licensed as health care facilities or child foster care facilities and shall also include a modular or mobile home homes which is~~ are permanently affixed to a foundation and is ~~are~~ assessed as realty.

Sec. 2. Section 220.1, subsection 12, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

12. "Health care facilities" means those facilities referred to in section 135C.1, subsection 4, which contain fifteen beds or less.

Sec. 3. Section 220.1, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. "Child foster care facilities" means the same as defined in section 237.1.

Sec. 4. Section 220.3, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. The interest costs paid by group homes of fifteen beds or less licensed as health care facilities or child foster care facilities for facility acquisition and indirectly reimbursed by the department of social services through payments for patients at those facilities who are recipients of medical assistance or state supplementary assistance are severe drains on the state's budget. A reduction in these costs obtained through financing with tax-exempt revenue bonds would clearly be in the public interest.

NEW SUBSECTION. There is a need in areas of the state for new construction of certain group homes of fifteen beds or less licensed as health care facilities or child foster care facilities to provide adequate housing and care for elderly and handicapped Iowans and to provide adequate housing and foster care for children.

Sec. 5. Section 220.12, subsections 1 and 5, Code 1981, are amended to read as follows:

1. The authority may make property improvement loans and mortgage loans, including but not limited to mortgage loans insured, guaranteed, or otherwise secured by the federal government or by private mortgage insurers, to housing sponsors to provide financing of adequate housing for low or moderate income families, elderly families, families which include one or more persons who are handicapped or disabled, child foster care facilities, and ~~noninstitutional residential health care facilities~~.

5. In considering an application for a property improvement loan or mortgage loan under this section, the authority shall determine that the housing will be adequate and provide for the special needs of families of low or moderate income, elderly families, or families which include one or more persons who are handicapped or disabled, or will meet state standards for ~~noninstitutional residential health care facilities or child foster care facilities~~, and shall also give consideration to:

a. The comparative need for housing, child foster care facilities, or noninstitutional residential health care facilities in the area.

b. The ability of the applicant to operate, manage and maintain the proposed housing.

Sec. 6. Section 220.28, subsection 2, Code 1981, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The bondholders or noteholders, to the extent provided in the resolution by which the bonds or notes were issued or in their agreement with the authority, may enforce any of the remedies in paragraphs a through e or the remedies provided in those agreements for and on their own behalf.

Sec. 7. Chapter 220, Code 1981, is amended by adding the following new sections:

NEW SECTION. ADDITIONAL LOAN PROGRAM.

1. The authority may enter into a loan agreement with a housing sponsor to finance in whole or in part the acquisition of housing by construction or purchase. The repayment obligation of the housing sponsor may be unsecured, secured by a mortgage or security agreement, or secured by other security as the authority deems advisable, and may be evidenced by one or more notes of the housing sponsor. The loan agreement may contain terms and conditions the authority deems advisable.

2. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:

a. That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

b. That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest, and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the housing sponsor.

c. That the bondholders or noteholders may enforce the remedies provided in the loan agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the agreement or instrument, the payment or performance may be enforced in accordance with the provisions contained in the agreement or instrument.

d. That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

e. Other terms and conditions.

3. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the housing sponsor, and that the principal and interest does not constitute an indebtedness of the authority or a charge against its general credit or general fund.

4. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 175.17, subsection 9

and section 175.19, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

NEW SECTION. For purposes of this section, "Internal Revenue Code of 1954" means the same as defined in section 422.4, "state ceiling" means the same as defined in section 103A(g)(4) of the Internal Revenue Code of 1954, and "qualified mortgage bonds" means the same as defined in section 103A(c) of the Internal Revenue Code of 1954.

Pursuant to section 103A(g)(6) of the Internal Revenue Code of 1954, the amount of the state ceiling for qualified mortgage bonds is allocated to the authority. The authority may provide pursuant to subsection 1 for reallocation of an amount, not in excess of fifty percent of the state ceiling, among other governmental units in the state having authority to issue qualified mortgage bonds.

1. An allocation to a governmental unit shall not exceed the amount which the governmental unit has shown can reasonably be anticipated to be fully utilized during that calendar year. In considering a request for allocation, the authority shall consider the following factors:

- a. The number of requests received and expected to be received from other governmental units for the calendar year and the volume of bonds represented by those requests.
- b. The population of the governmental unit making the request.
- c. The volume of bonds issued or to be issued by the authority in the calendar year the proceeds of which will be allocated to the same geographical area.
- d. The amount of bond proceeds to be targeted to areas of chronic economic distress as defined in section 103A(k)(3) of the Internal Revenue Code of 1954.
- e. The economies of a bond issue of a larger or smaller size.
- f. Allocations made under this section in the same or previous calendar years to the governmental unit.
- g. If another governmental unit having authority to issue qualified mortgage bonds has jurisdiction over all or part of the same geographical area as the unit requesting an allocation and the realistic plans of that other unit to issue the bonds.
- h. The probability that a governmental unit will be able to use the funds allocated within a reasonable period of time.
- i. Other factors and considerations the authority deems necessary or appropriate.

Sec. 8. This Act, being deemed of immediate importance, takes effect from and after its publication in the Muscatine Journal, a newspaper published in Muscatine, Iowa, and in The Council Bluffs Nonpareil, a newspaper published in Council Bluffs, Iowa.

Approved May 7, 1982

I hereby certify that the foregoing Act, Senate File 2253 was published in the Muscatine Journal, Muscatine, Iowa on June 8, 1982 and in The Council Bluffs Nonpareil, Council Bluffs, Iowa on June 30, 1982.

MARY JANE ODELL, *Secretary of State*