A bill to be entitled 1 2 An act relating to affordable housing; amending s. 3 420.507, F.S.; authorizing the Florida Housing Finance 4 Corporation to set aside a portion of its federal and 5 state funding to fund housing for economic development 6 initiatives, veterans' housing, and housing for other 7 special needs populations; authorizing the use of 8 competitive requests for proposal to fund projects; 9 amending s. 421.02, F.S.; revising a declaration of 10 necessity; providing that access to essential 11 commercial goods and services for persons of low income served by housing authorities is a public use; 12 amending s. 421.03, F.S.; reordering and revising 13 14 definitions applicable to the Housing Authorities Law; 15 revising the definition of the term "housing project"; defining the term "essential commercial goods and 16 services"; amending s. 421.08, F.S.; prohibiting the 17 use of eminent domain for certain purposes; expanding 18 19 certain powers of housing authorities to include certain commercial projects providing essential goods 20 21 and services; providing for the use of revenues 22 received from such projects; amending s. 421.09, F.S.; 23 conforming a cross-reference; reenacting and amending 24 s. 421.21, F.S., relating to tax exemptions applicable 25 to housing authorities created pursuant to certain 26 federal programs; amending s. 421.32, F.S.; conforming 27 a cross-reference; amending s. 422.02, F.S.; revising a declaration of necessity; providing that there 28

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exists a shortage of access to essential commercial goods and services necessary for daily living for persons of low income; amending s. 422.04, F.S.; expanding certain powers of state public bodies to include certain commercial projects providing essential goods and services; amending s. 423.01, F.S.; revising and providing findings and declarations of property of tax exemption for housing authorities relating to access to essential commercial goods and services necessary for daily living for persons of low income; amending s. 423.02, F.S.; exempting certain commercial projects that allow access to essential goods and services for persons of low income residing in such housing projects from certain taxes and special assessments; providing organizational and editorial changes for purposes of clarifying various provisions; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (48) is added to section 420.507, Florida Statutes, to read:

420.507 Powers of the corporation.—The corporation shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers which are in addition to all other powers granted by other provisions of this part:

(48) To utilize up to 10 percent of its annual allocation

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of low-income housing tax credits, allocation of nontaxable revenue bonds, and State Apartment Incentive Loan Program funds appropriated by the Legislature and available to allocate by request for proposals or other competitive solicitation funding for high-priority affordable housing projects, such as housing to support economic development and job creation initiatives, housing for veterans and their families, and other special needs populations in communities throughout the state as determined by the corporation on an annual basis.

Section 2. Section 421.02, Florida Statutes, is amended to read:

- 421.02 Finding and declaration of necessity.—It is hereby declared that:
- (1) There exist in the state insanitary or unsafe dwelling accommodations and that persons of low income are forced to reside in such insanitary or unsafe accommodations; that within the state there is a shortage of safe or sanitary dwelling accommodations available at rents which persons of low income can afford and that such persons are forced to occupy overcrowded and congested dwelling accommodations; that such the aforesaid conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals, and welfare of the residents of the state and impair economic values; and that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, welfare and safety, fire and accident protection, and other public services and facilities.

(2) Blighted areas in the state cannot be revitalized, nor can the shortage of safe and sanitary dwellings for persons of low income be relieved, solely through the operation of private enterprise.

- (3) The clearance, replanning, and reconstruction of the areas in which insanitary or unsafe housing conditions exist, and the providing of safe and sanitary dwelling accommodations, and the access to essential commercial goods and services necessary for daily living for persons of low income, including the acquisition by a housing authority of property to be used for or in connection with housing projects or appurtenant thereto, are exclusively public uses and purposes for which public money may be spent and private property acquired and are governmental functions of public concern.
- (4) An important public purpose is served by providing access to essential commercial goods and services necessary for daily living for persons served by public housing authorities as those persons often have limited transportation capacity and significant family demands. Issues such as limited transportation capacity and significant family demands complicate daily living and make access to essential commercial goods and services difficult.
- $\underline{(5)}$ (4) The necessity in the public interest for the provisions hereinafter enacted, is hereby declared as a matter of legislative determination.
- Section 3. Section 421.03, Florida Statutes, is amended to read:
 - 421.03 Definitions.—<u>As used</u> The following terms, wherever

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used or referred to in this part, except where the context clearly indicates otherwise, the term shall have the following respective meanings for the purposes of this part, unless a different meaning clearly appears from the context:

 $(1) \frac{(6)}{(6)}$ "Area of operation":

- (a) In the case of a housing authority of a city having a population of less than 25,000, <u>includes</u> shall include such city and the area within 5 miles of <u>its</u> the territorial boundaries thereof.; and
- (b) In the case of a housing authority of a city having a population of 25,000 or more includes shall include such city and the area within 10 miles from its the territorial boundaries. thereof; provided However, that the area of operation of a housing authority of a any city may shall not include any area that which lies within the territorial boundaries of another some other city as herein defined; and may further provided that the area of operation shall not extend outside of the boundaries of the county in which the city is located, and a no housing authority has no shall have any power or jurisdiction outside of the county in which the city is located.
- $\underline{(2)}$ "Authority" or "housing authority" means a shall mean any of the public corporation corporations created pursuant to \underline{by} s. 421.04.
- (3)(2) "City" means shall mean any city or town of the state having a population of more than 2,500, according to the last preceding federal or state census. The term means "The city" shall mean the particular city for which a particular

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141 housing authority is created.

 $\underline{(4)}$ "Clerk" means shall mean the clerk of the city or the officer of the city charged with the duties customarily imposed on the clerk thereof.

- $\underline{(5)}$ "Debentures" $\underline{\text{means}}$ shall $\underline{\text{mean}}$ any notes, interim certificates, debentures, revenue certificates, or other obligations issued by an authority pursuant to this chapter.
- (6) "Essential commercial goods and services" means goods, such as groceries and clothing, and services, such as child care, K-12 education, financial services, job training and placement, and laundry facilities, that are necessary for daily living and that may be difficult for persons of low income to access unless collocated with the housing project where they live and substantially serving persons of low income.
- (7) "Federal Government" means shall include the United States Government, the Federal Emergency Administration of Public Works or any department, commission, other agency, or other instrumentality thereof, corporate or otherwise, of the United States.
- (8) "Governing body" means shall mean the city council, the commission, or other legislative body charged with governing the city, as the case may be.
- (9) "Housing project" <u>means</u> shall mean any work or undertaking:
- (a) To demolish, clear, or remove buildings from any slum area, which; such work or undertaking may embrace the adaption of such area to public purposes, including parks or other recreational or community purposes; or

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(b) To provide decent, safe, and sanitary urban or rural dwellings, apartments, or other living accommodations for persons of low income, which; 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, parks, site preparation, gardening, administrative, community, health, recreational, educational, welfare, or other purposes; or

- (c) To provide access to essential commercial goods and services; or
 - (d) (c) To accomplish a combination of the foregoing.

The term "housing project" also applies may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, and repair of the improvements, and all other work in connection therewith.

- (10) "Mayor" means shall mean the mayor of the city or the officer thereof charged with the duties customarily imposed on the mayor or executive head of the city.
- (11) (13) "Obligee of the authority" or "obligee" includes shall include any holder of debentures, trustee or trustees for any such holders, or lessor demising to the authority property used in connection with a housing 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 authority.
 - (12) (10) "Persons of low income" means shall mean persons

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or families who lack the amount of income which is necessary, as determined by the authority undertaking the housing project, to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

- (13) (12) "Real property" includes shall include 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 and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.
- (14) (8) "Slum" means shall mean 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.
- Section 4. Section 421.08, Florida Statutes, is amended to read:
 - 421.08 Powers of authority.-

- (1) An authority shall constitute a public body corporate and politic, exercising the public and essential governmental functions set forth in this chapter, and having all the powers necessary or convenient to carry out and effectuate the purpose and provisions of this chapter, including the following powers in addition to others herein granted in this chapter:
- $\underline{(a)}$ (1) To sue and be sued; to have a seal and to alter \underline{it} the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; to appear in

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court through any of its officers, agents, or employees, for the exclusive purpose of filing eviction papers; and to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority.

- (b) (2) Within its area of operation, to prepare, carry out, acquire, lease, and operate housing projects and; to provide for the construction, reconstruction, improvement, alteration, or repair of any housing project or any part thereof.
- <u>(c) (3)</u> 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.; provided, however, that
- 1. Notwithstanding any other power or provision in this chapter, the authority may shall not construct, lease, control, purchase, or otherwise establish, in connection with or as a part of any housing project or any other real or any other property under its control, any system, work, facilities, plants, or other equipment for the purpose of furnishing utility service of any kind to such projects or to any tenant or occupant thereof if in the event that a system, work, facility, plant, or other equipment for the furnishing of the same utility service is being actually operated by a municipality or private concern in the area of operation or the city or the territory immediately adjacent thereto; provided, further, but this does not that nothing herein shall be construed to prohibit the construction or acquisition by the authority of any system,

work, facilities, or other equipment for the sole and only purpose of receiving utility services from any such municipality or such private concern and then distributing such utility services to the project and to the tenants and occupants thereof.; and,

- 2. Notwithstanding anything to the contrary contained in this chapter or in any other provision of law, the authority may to include, in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum 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.
- (d) (4) To lease or rent any dwellings, houses, accommodations, lands, buildings, structures, or facilities embraced in any housing project and, subject to the limitations contained in this chapter, 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, except real property to be used to provide access to essential commercial goods and services; 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 of any real or personal property against any risks or hazards; and to procure or agree to the procurement

of insurance or guarantees from the Federal Government of the payment of any such debts or parts thereof, whether or not incurred by the said authority, including the power to pay premiums on any such insurance.

(e) (5) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control and; to purchase its debentures at a price not exceeding more than the principal amount thereof and accrued interest, with all debentures so purchased to be canceled.

(f) (6) Within its area of operation: to investigate into living, dwelling, and housing conditions and into the means and methods of improving such conditions; to determine where slum areas exist or where there is a shortage of decent, safe, and sanitary dwelling accommodations for persons of low income; to make studies and recommendations relating to the problem of clearing, replanning, and reconstruction of slum areas and the problem of providing dwelling accommodations for persons of low income; to administer fair housing ordinances and other ordinances as adopted by cities, counties, or other authorities who wish to contract for administrative services and to cooperate with the city, the county, or the state or any political subdivision thereof in action taken in connection with such problems; and to engage in research, studies, and experimentation on the subject of housing.

 $\underline{(g)}$ (7) Acting through one or more commissioners or other person or persons designated by the authority: \div 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 before the authority, 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.

(h) (8) (a) To organize for the purpose of creating a forprofit or not-for-profit corporation, limited liability company, or other similar business entity pursuant to all applicable laws of this state in which the housing authority may hold an ownership interest or participate in its governance in order to develop, acquire, lease, construct, rehabilitate, manage, or operate multifamily or single-family residential projects and commercial projects that allow access to essential goods and services for persons of low income residing in such residential projects.

1. These projects may include nonresidential uses and may use public and private funds to serve individuals or families who meet the applicable income requirements of the state or federal program involved; whose income does not exceed 150

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percent of the applicable median income for the area, as established by the United States Department of Housing and Urban Development; and who, in the determination of the housing authority, lack sufficient income or assets to enable them to purchase or rent a decent, safe, and sanitary dwelling. These corporations, limited liability companies, or other business entities may join partnerships, joint ventures, or limited liability companies pursuant to applicable laws or may otherwise engage with business entities in developing, acquiring, leasing, constructing, rehabilitating, managing, or operating such projects.

2.(b) The creation by a housing authority of such a corporation, limited liability company, or other business entity that is properly registered pursuant to all applicable laws before the effective date of this act is ratified and validated if the creation of such corporation, limited liability company, or other business entity would have been valid had this act been in effect at the time such corporation, limited liability company, or other business entity was created and registered.

3.(e) Proceedings or acts performed by a housing authority or a corporation, limited liability company, or other business entity authorized pursuant to subparagraph 2. paragraph (b) are ratified and validated if such proceedings or acts were in furtherance of the purposes set forth in this chapter and would have been valid had this act been in effect at the time such proceedings or acts were performed.

(i) (9) Notwithstanding s. 112.061, to the governing board of an authority may approve and implement policies for per diem,

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travel, and other expenses of its officials, officers, board members, employees, and authorized persons in a manner consistent with federal guidelines.

- <u>(j) (10)</u> To exercise all or any part or combination of powers herein granted in this section. No Provisions of law relating with respect to acquisition, operation, or disposition of property by other public bodies do not apply shall be applicable to an authority unless the Legislature shall specifically states so state.
- (2) Any revenue received by a housing authority from commercial projects that provide access to essential goods and services necessary for daily living of persons residing in housing projects must be used exclusively to upgrade and improve living conditions in the housing project or to preserve and rehabilitate public or affordable housing managed by the housing authority.
- Section 5. Subsection (2) of section 421.09, Florida Statutes, is amended to read:
 - 421.09 Operation not for profit.-
- (2) This section does not prohibit or restrict the activities or operations of a business entity created under s. 421.08(1) (h) 421.08(8).
- Section 6. Section 421.21, Florida Statutes, is reenacted and amended to read:
 - 421.21 Aid from Federal Government; tax exemptions.-
- (1) In addition to the powers conferred upon an authority by other provisions of this chapter, an authority is empowered to borrow money or accept grants or other financial assistance

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from the Federal Government for or in aid of any housing project within its area of operation, to take over or lease or manage any housing project or undertaking constructed or owned by the Federal Government, and to these ends, to comply with such conditions and enter into such trust indentures, leases or agreements as may be necessary, convenient or desirable. It is the purpose and intent of this chapter to authorize every authority 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 authority.

- (2) In addition to the powers conferred upon an authority by subsection (1) and other provisions of this chapter, an authority is empowered to borrow money or accept grants or other financial assistance from the Federal Government under s. 202 of the Housing Act of 1959 (Pub. L. No. 86-372) or any law or program of the United States Department of Housing and Urban Development, which provides for direct federal loans in the maximum amount, as defined therein, for the purpose of assisting certain nonprofit corporations to provide housing and related facilities for elderly families and elderly persons.
- (a) Housing authorities created under this section are authorized to execute mortgages, notes, bills, or other forms of indebtedness together with any agreements, contracts, or other instruments required by the United States Department of Housing and Urban Development in connection with loans made for the purposes set forth in this subsection.
 - (b) This provision relating to housing facilities for the

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elderly is cumulative and in addition to the powers given to housing authorities under this chapter. All powers granted generally by law to housing authorities in Florida relating to issuance of trust indentures, debentures, and other methods of raising capital shall apply also to housing authorities in connection with their participation in programs of the United States Department of Housing and Urban Development.

(3) It is the legislative intent that the tax exemption of housing authorities provided by chapter 423, shall specifically applies apply to any housing authority created under this section.

Section 7. Section 421.32, Florida Statutes, is amended to read:

421.32 Rural housing projects.—County housing authorities and regional housing authorities are specifically empowered and authorized to borrow money, accept grants, and exercise their other powers to provide housing for farmers of low income and domestic farm labor as defined in s. 514 of the Federal Housing Act of 1949. In connection with such projects, any such housing authority may enter into such leases or purchase agreements, accept such conveyances and rent or sell dwellings forming part of such projects to or for farmers of low income, as such housing authority deems necessary in order to ensure assure the achievement of the objectives of this law. Such leases, agreements, or conveyances may include such covenants as the housing authority deems appropriate regarding such dwellings and the tracts of land described in any such instrument, which covenants shall be deemed to run with the land where the housing

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authority deems it necessary and the parties to such instrument so stipulate. In providing housing for farmers of low income, county housing authorities and regional housing authorities are shall not be subject to the limitations provided in ss. 421.08(1)(c) 421.08(3) and 421.10(3). Nothing contained in This section may not shall be construed as limiting any other powers of any housing authority.

Section 8. Section 422.02, Florida Statutes, is amended to read:

422.02 Finding and declaration of necessity.—It has been found and declared in the Housing Authorities Law that there exist in the state unsafe and insanitary housing conditions and a shortage of safe and sanitary dwelling accommodations and access to essential commercial goods and services necessary for daily living for persons of low income; that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, welfare and safety, fire and accident protection, and other public services and facilities; and that the public interest requires the remedying of these conditions. It is found and declared that the assistance herein provided for the remedying of the conditions set forth in the Housing Authorities Law constitutes a public use and purpose and an essential governmental function for which public moneys may be spent and other aid given; that it is a proper public purpose for any state public body to aid any housing authority operating within its boundaries or jurisdiction or any housing project located therein, as the state public body derives immediate benefits and

advantages from such an authority or project; and that the provisions hereinafter enacted are necessary in the public interest.

Section 9. Section 422.04, Florida Statutes, is amended to read:

422.04 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 property to a housing authority or the Federal Government. \div
- (b) Cause parks; playgrounds; recreational, community, educational, water, sewer, or drainage facilities; commercial projects that allow access to essential goods and services for persons of low income residing in housing projects; 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) Plan or replan, zone or rezone any part of such state public body; make exceptions from building regulations and ordinances; and, with respect to any city or town, also may change its map.;
 - (e) Enter into agreements, which may extend over any

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period, notwithstanding any provision or rule of law to the contrary, with a housing authority or the Federal Government respecting action to be taken by such state public body pursuant to any of the powers granted by this chapter.

- (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) Purchase or legally invest in any of the debentures of a housing authority and exercise all of the rights of any holder of such debentures.
- (h) Not require any changes to be made in a housing project or the manner of its construction or take any other action relating to such construction with respect to any housing project which a housing authority has acquired or taken over from the Federal Government and which the housing authority by resolution has found and declared to have been constructed in a manner that will promote the public interest and afford necessary safety, sanitation, and other protection., no state public body shall require any changes to be made in the housing project or the manner of its construction or take any other action relating to such construction;
- (i) <u>Incur the entire expense of</u> <u>In connection with</u> any public improvements made by <u>the</u> a state public body in exercising the powers herein granted, such state public body may incur the entire expense thereof.
- (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,

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public notice, advertisement, or public bidding.

Section 10. Section 423.01, Florida Statutes, is amended to read:

- 423.01 Finding and declaration of property of tax exemption for housing authorities.—It has been found and declared in the Housing Authorities Law and the Housing Cooperation Law that:
- (1) There exist in the state housing conditions that which constitute a menace to the health, safety, morals, and welfare of the residents of the state;
- (2) These conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, welfare and safety, fire and accident prevention, and other public services and facilities;
- (3) The public interest requires the remedying of these conditions by the creation of housing authorities to undertake projects for slum clearance and for providing safe and sanitary dwelling accommodations and access to essential commercial goods and services necessary for daily living for persons who lack sufficient income to enable them to live in decent, safe, and sanitary dwellings without overcrowding; and
- (4) Facilities made available by housing authorities to provide access to essential goods and services necessary for daily living for persons residing in housing projects are a critical component of those housing projects and constitute a public use and a governmental function; and
 - (5) (4) Such housing projects, including all property of a

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housing authority used for or in connection therewith or appurtenant thereto and all property used to provide access to essential goods and services necessary for daily living for persons residing in such housing projects, are exclusively for public uses and municipal purposes and not for profit, and are governmental functions of state concern. As a matter of legislative determination, it is found and declared that the property and debentures of a housing authority are of such character as may be exempt from taxation.

Section 11. Section 423.02, Florida Statutes, is amended to read:

423.02 Housing projects exempted from taxes and assessments; payments in lieu thereof.—The housing projects, including all property of housing authorities used for or in connection therewith or appurtenant thereto and all commercial projects that allow access to essential goods and services for persons of low income residing in such housing projects, of housing authorities shall be exempt from all taxes and special assessments of the state or any city, town, county, or political subdivision of the state., provided, However, that in lieu of such taxes or special assessments, a housing authority may agree to make payments to any city, town, county, or political subdivision of the state for services, improvements, or facilities furnished by such city, town, county, or political subdivision for the benefit of a housing project owned by the housing authority, but in no event shall such payments may not exceed the estimated cost to such city, town, county, or political subdivision of the services, improvements, or

facilities to be so furnished.

Section 12. This act shall take effect July 1, 2012.

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