



HOUSE BILL 250: Winston-Salem/Real Property Conveyances.

2021-2022 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 27, 2021
Introduced by:	Reps. Terry, A. Baker	Prepared by:	Billy R. Godwin
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 250 would authorize the City of Winston-Salem to convey city-owned real property, with or without consideration, for the purpose of increasing the supply of affordable housing for low- and moderate-income persons.*

[As introduced, this bill was identical to S145, as introduced by Sens. Lowe, Krawiec, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: The authority of and procedures for a municipality to sell or dispose of real property is governed by Article 12 of Chapter 160A. In limited circumstances, a municipality may, with or without consideration, sell real property through a *non-competitive* private sale process to volunteer fire departments and rescue squads (G.S.160A-277) and to non-profit entities carrying out a public purpose (G.S. 160A-279). North Carolina cities also have authority to exercise those powers granted to a housing authority including the power to provide safe and sanitary dwelling accommodations for persons of low-income, moderate-income, or low- and moderate-income (G.S. 160D-1311(b) and G.S. 157-9). Cities may appropriate funds to a private entity to carry out a public purpose (160A-20.1) and in lieu of appropriating funds, may convey real property to that entity by private sale. Providing financial assistance for residential housing construction for sale or rental to persons and families of low- and moderate-income has been held by the North Carolina Supreme Court to serve a public purpose.¹

BILL ANALYSIS: House Bill 250 would:

- Authorize the governing body of the City of Winston-Salem to:
 - Convey upon such terms as it deems wise, city-owned real property, with or without consideration, for the purpose of increasing the supply of affordable housing for low- and moderate-income persons provided the property being conveyed was not acquired by the exercise of eminent domain.
 - Place a restriction in the deed conveying the city-owned property that the property reverts back to the city if it ceases to be used for increasing the supply of affordable housing for low- and moderate-income persons prior to the expiration of any time period for such use required by the governing body.
- Require the governing body of the City of Winston-Salem to:

¹ For low-income persons and families. *Martin v. North Carolina Housing Corporation*, 277 N.C. 29, (1970). For moderate-income persons and families. *In Re The Denial of Approval to Issue \$30,000,000 of Single Family Housing bonds and \$30,000,000 of Multi-Family Housing Bonds for Persons of Moderate Income*, 307 N.C. 52 (1982).

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- First adopt a resolution at a regular or special meeting authorizing the appropriate municipal official to make the conveyance for the purpose of increasing the supply of affordable housing for low- and moderate-income persons.
- Post the resolution on the city's website at least 10 calendar days prior to the date the conveyance is executed by the appropriate municipal official.

EFFECTIVE DATE: The act would become effective when the bill becomes law.