



# SENATE BILL 145: Winston-Salem/Real Property Conveyances.

2021-2022 General Assembly

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<b>Committee:</b>	House Rules, Calendar, and Operations of the House	<b>Date:</b>	June 16, 2021
<b>Introduced by:</b>	Sens. Lowe, Krawiec	<b>Prepared by:</b>	Billy R. Godwin
<b>Analysis of:</b>	First Edition		Staff Attorney

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**OVERVIEW:** *Senate Bill 145 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 H250, as introduced by Reps. Terry, A. Baker, which is currently in House Rules, Calendar, and Operations of the House.]

**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 monetary 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 (G.S. 160A-279). 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.<sup>1</sup>

**BILL ANALYSIS:** Senate Bill 145 would:

- Authorize the governing body of 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 provided the property being conveyed by the City was not acquired by eminent domain.
  - Place a restriction in the deed conveying the city-owned property providing that the property reverts back to the city if it is no longer 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:

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<sup>1</sup> 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.

*\*Brad Krehely, Staff Attorney for the Legislative Analysis Division, substantially contributed to this summary.*