Table 3: Local Government Property Conveyance for Affordable Housing

Conveyance Type	N.C.G.S.	Cnty Ref.?*	Set aside required?	Non-monetary consideration? See *Brumley***
Any grantee (nonprofit or for profit)				
Private sale at fair market value (FMV) with affordability restrictions	160D-1316	No	All units must be reserved for LMI persons. See G.S. 157-9.4 if separate financial assistance provided for multifamily.	Fair market value (FMV) required but accounts for: • affordability restrictions • Property reverts back to govt if end restrictions (unless sell to LMI household)
Private sale with non-monetary consideration (in form of promise to provide LMI housing on the property)	157-9	Only if property acquired with state or local funds	20% set aside for low income required only if: • one or more units serve “other than” LMI • or G.S. 157-9.4 financial assistance for multifamily	Non-monetary consideration is promise to provide LMI housing. Property reverts back to govt if end restrictions (unless sell to LMI household).
Competitive bidding with affordability restrictions	157-9	Only if property acquired with state or local funds	20% set aside for low income required only if: • one or more units serve “other than” LMI • or G.S. 157-9.4 financial assistance for multifamily	Bid price is considered FMV but reflects: • affordability restrictions • Property reverts back to govt if end restrictions (unless sell to LMI household)
Lease at FMV	160A-278	No	20% set aside required for low income if one or more units serve “other than” LMI household	Fair market lease rate required, but lease rate should account for affordability restrictions
Nonprofit grantee only				
Private sale with non-monetary consideration (in form of promise to use <u>only</u> for LMI persons)	160A-279 to accomplish 160D-1316 activities.	No	All units must be reserved for LMI persons. See G.S. 157-9.4 if separate financial assistance provided for multifamily.	Non-monetary consideration is promise to provide LMI housing. Property reverts back to govt if ceases to be used by recipient for that purpose (unless sell to LMI household).
Private sale with non-monetary consideration (a promise to provide LMI housing with “other than” LMI persons also served)	160A-279 to accomplish 157-9 activities.	Only if property acquired with state or local funds	20% set aside for low income required due to serving “other than” LMI household. See G.S. 157-9.4 if separate financial assistance provided for multifamily.	Non-monetary consideration is promise to provide LMI housing. Subsidy from lower sale/lease price must flow to eligible LMI households. Property reverts back to govt if ceases to be used by recipient for that purpose (unless sell to LMI household).

* Referendum imposed on counties by G.S. 160D-1311(d). No referendum required for municipalities and housing authorities.
**Brumley v. Baxter, 251 N.C. 691 (1945) (conveyance to charity unconstitutional unless conditioned on reversion back to county once no longer used by the recipient for charitable public purpose).