

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 603
Mar 31, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40334-NOa-15

Short Title: Workforce Housing Loans-Preconstruction Costs. (Public)

Sponsors: Representative Reives.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A REVOLVING LOAN FUND IN THE NORTH CAROLINA
3 HOUSING FINANCE AGENCY TO PROVIDE SHORT-TERM FINANCING TO
4 SUPPORT PRECONSTRUCTION COSTS OF WORKFORCE HOUSING PROJECTS IN
5 THE STATE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Chapter 122A of the General Statutes is amended by adding a new
8 section to read:

9 **"§ 122A-5.16. Revolving loan fund to finance short-term workforce housing
10 preconstruction costs.**

11 (a) Definitions. – The following definitions apply in this section:

12 (1) Preconstruction costs. – Land surveys, environmental due diligence and soil
13 testing, utility connections, planning and permit fees, and site clearing and
14 grading.

15 (2) Workforce housing. – Housing that is affordable to households earning
16 between sixty percent (60%) and one hundred twenty percent (120%) of the
17 county area median income or the State area median income, whichever is
18 higher.

19 (b) Program. – The North Carolina Housing Finance Agency shall establish and
20 administer the Workforce Housing Preconstruction Revolving Loan Program for the purpose of
21 making revolving loans for preconstruction costs for workforce housing projects before
22 developers obtain permanent, private financing. The Agency shall establish guidelines for project
23 equity requirements for applicants between twenty percent (20%) and thirty-five percent (35%)
24 based on market conditions in the county where the project is located. Funds appropriated to the
25 North Carolina Housing Trust Fund for the Workforce Housing Preconstruction Revolving Loan
26 Program shall be used by the Agency only as provided in this section.

27 (c) Requirements. – The following shall apply to loans issued pursuant to this section:

28 (1) No loan shall exceed one million dollars (\$1,000,000).

29 (2) Eighty percent (80%) of loans shall be reserved for projects in counties
30 designated as development tier one and tier two areas, as defined in
31 G.S. 143B-437.08.

32 (3) Twenty percent (20%) of loans shall be reserved for projects in counties
33 designated as a development tier three area, as defined in G.S. 143B-437.08.

34 For the purposes of this subsection, the development tier designation that is in effect as of the
35 beginning of a fiscal year shall be applied for all loans issued for that fiscal year.



(d) Report. – Before February 15 of each year, the Agency shall report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on the number of loans made under this section in the previous calendar year, the amount of each loan, and the recipient of each loan."

SECTION 2. The State Controller shall transfer the sum of forty million dollars (\$40,000,000) in nonrecurring funds for the 2025-2026 fiscal year from funds available in the Economic Development Project Reserve, established in Section 2.2 of S.L. 2021-180, to the North Carolina Housing Trust Fund; such funds are hereby appropriated for the purposes outlined in this act.

SECTION 3. This act becomes effective July 1, 2025.