

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 603

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

Sponsors: Representatives Reives, Alston, Dahle, and Lopez (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Finance, if favorable, Rules, Calendar, and
Operations of the House

April 1, 2025

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

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

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



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

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

7 **SECTION 2.** The State Controller shall transfer the sum of forty million dollars
8 (\$40,000,000) in nonrecurring funds for the 2025-2026 fiscal year from funds available in the
9 Economic Development Project Reserve, established in Section 2.2 of S.L. 2021-180, to the
10 North Carolina Housing Trust Fund; such funds are hereby appropriated for the purposes outlined
11 in this act.

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