

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS45541-NRa-38

Short Title: Inclusionary Zoning/Workforce Housing Funds. (Public)

Sponsors: Senator Smith (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO SUPPLEMENT THE AVAILABILITY OF AFFORDABLE HOUSING BY
3 ALLOWING LOCAL GOVERNMENTS TO PROVIDE FOR INCLUSIONARY ZONING
4 AND TO APPROPRIATE FUNDS TO THE NORTH CAROLINA HOUSING FINANCE
5 AGENCY FOR THE WORKFORCE HOUSING LOAN PROGRAM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 160D-702 reads as rewritten:

8 "**§ 160D-702. Grant of power.**

9 (a) A local government may adopt zoning regulations. Except as provided in subsections
10 (b) and (c) of this section, a zoning regulation may regulate and restrict the height, number of
11 stories, and size of buildings and other structures; the percentage of lots that may be occupied;
12 the size of yards, courts, and other open spaces; the density of population; the location and use
13 of buildings, structures, and land. A local government may regulate development, including
14 floating homes, over estuarine waters and over lands covered by navigable waters owned by the
15 State pursuant to G.S. 146-12. A zoning regulation shall provide density credits or severable
16 development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11.
17 To supplement the availability of affordable housing, the regulation may also provide for
18 inclusionary zoning. Where appropriate, a zoning regulation may include requirements that street
19 and utility rights-of-way be dedicated to the public, that provision be made of recreational space
20 and facilities, and that performance guarantees be provided, all to the same extent and with the
21 same limitations as provided for in G.S. 160D-804 and G.S. 160D-804.1.

22"

23 **SECTION 2.** Notwithstanding G.S. 143C-5-2, there is appropriated from the
24 General Fund to the Housing Finance Agency the sum of ten million dollars (\$10,000,000) in
25 recurring funds beginning in the 2026-2027 fiscal year to be used for the Workforce Housing
26 Loan Program, established under G.S. 122A-5.15.

27 **SECTION 3.** This act becomes effective July 1, 2026.

