

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

**H.B. 245**  
**Feb 27, 2025**  
**HOUSE PRINCIPAL CLERK**

H

D

**HOUSE BILL DRH10099-NO-27A**

Short Title: Affordable Housing in Rural Areas.

(Public)

Sponsors: Representative Willingham.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCENTIVIZE THE DEVELOPMENT OF AFFORDABLE HOUSING IN  
3 RURAL COMMUNITIES AND COUNTIES WITH HIGHER POVERTY LEVELS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 143-433.9 reads as rewritten:

6 **"§ 143-433.9. Allocation.**

7 (a) To provide for the orderly and prompt issuance of bonds the allocation of which is  
8 managed under this Article, the Committee must follow formulas for allocating the following:  
9 (i) the unified volume limitation, (ii) the state housing credit ceiling, (iii) the annual aggregate  
10 limitation on the face amount of qualified public educational facility bonds, (iv) the limitation on  
11 issuance of recovery zone facility bonds, (v) the limitation on issuance of recovery zone  
12 economic development bonds, and (vi) the limitation on issuance of qualified energy  
13 conservation bonds. The unified volume limitation for all issues of private activity bonds, other  
14 than qualified public educational facility bonds and recovery zone facility bonds, in North  
15 Carolina shall be considered as a single resource to be allocated under this Article. The annual  
16 aggregate limitation on the face amount of qualified public educational facility bonds for all  
17 issues in North Carolina shall be considered as a single resource to be allocated under this Article.  
18 The Committee shall issue the following: (i) allocations of the unified volume limitation, (ii)  
19 allocations of the state housing credit ceiling, (iii) allocations and reallocations of the aggregate  
20 limitation on the face amount of qualified public educational facility bonds, (iv) allocation and  
21 reallocation of the authority for issuance of recovery zone facility bonds allocated to the State,  
22 (v) allocation and reallocation of the authority for issuance of recovery zone economic  
23 development bonds allocated to the State, (vi) allocation and reallocation of authority for issuance  
24 of qualified energy conservation bonds allocated to the State, and (vii) allocation of other  
25 limitations on authority to issue bonds as may be directed by the Governor. The Committee shall  
26 set forth procedures for making such allocations and in the making of such allocations shall take  
27 into consideration the best interest of the State of North Carolina with regard to the economic  
28 development, school facility needs, energy conservation, green initiatives, and general prosperity  
29 of the people of North Carolina. In making the initial allocations for recovery zone facility bonds  
30 and recovery zone economic development bonds, the Committee shall follow the formula  
31 provided in section 1400U-1(a)(3) of ARRTA. In making the initial allocation for qualified  
32 energy conservation bonds, the Committee shall follow the guidelines provided in section 54D  
33 of the Internal Revenue Code of 1986. The Committee shall make all elective carryforwards of  
34 the unused unified volume limitation, the annual aggregate limitation on the face amount of  
35 qualified public educational facility bonds, recovery zone facility bonds, qualified energy  
36 conservation bonds, and any other bonds or tax credits over which it has allocation authority on



\* D R H 1 0 0 9 9 - N O - 2 7 A \*

1 behalf of the State. The Committee shall monitor the issuance of qualified energy conservation  
2 bonds to ensure that not more than thirty percent (30%) of such bonds are used for purposes that  
3 would be treated as private activity bonds under the Internal Revenue Code of 1986, as amended.  
4 The Committee is authorized to establish a procedure to monitor whether the initial allocations  
5 of recovery zone facility bonds or recovery zone economic development bonds to counties and  
6 large municipalities pursuant to ARRTA will be utilized, for an allocation that will not be utilized  
7 to be waived by notice to the Committee, and for the reallocation of the waived allocation to  
8 other projects that qualify pursuant to ARRTA.

9 (b) In administering the low-income housing credit program, the Committee shall adopt  
10 a Qualified Allocation Plan (the Plan) as required by 26 U.S.C. § 42(m) annually. Solely with  
11 respect to the adoption of the Plan, the Committee is exempt from the requirements of Article 2A  
12 of Chapter 150B of the General Statutes. The Committee, and any agency designated by the  
13 Committee to administer the Plan, shall only adopt and administer the Plan if it incentivizes the  
14 development and availability of affordable housing in rural communities and counties with  
15 higher poverty levels. Prior to adoption or amendment of the Plan, the Committee shall:

- 16 (1) Publish the proposed Plan in the North Carolina Register at least 30 days prior  
17 to the adoption of the final Plan;
- 18 (2) Notify any person who has applied for the low-income housing credit in the  
19 previous year and any other interested parties of its intent to adopt the Plan;
- 20 (3) Accept oral and written comments on the proposed Plan; and
- 21 (4) Hold at least one public hearing on the proposed Plan.

22 (b1) When administering the low-income housing credit program and adopting a Qualified  
23 Allocation Plan (the Plan) as required by 26 U.S.C. § 42(m) annually, the Committee, and any  
24 agency designated by the Committee to the extent necessary to administer the Plan, shall, in the  
25 interest of incentivizing the development of affordable housing in rural and impoverished  
26 communities, use at least all of the following guidelines and criteria when determining how to  
27 allocate tax credits under the Plan:

- 28 (1) The distance between a proposed site and surrounding amenities, including  
29 grocery stores, shopping centers, and pharmacies, shall be calculated using a  
30 radius and not by using actual road driving distance.
- 31 (2) When a proposed site is located in a municipality with a population of less  
32 than 10,000 people, favorable consideration shall be awarded to proposed sites  
33 that are located 10 miles and less from the amenities identified in the Plan.
- 34 (3) When identifying amenities, the Plan shall define grocery amenities as stores  
35 that have grocery sections.
- 36 (4) When two proposed sites are "tied" under the scoring criteria of the Plan, the  
37 proposed site located in the area with the highest poverty level shall be  
38 awarded the tax credits under the Plan.

39 (c) In administering the allocation and reallocation of authority for issuance of qualified  
40 energy conservation bonds allocated to the State and reallocated to any "large local government"  
41 as defined in 26 U.S.C. § 54D(e), the Committee shall establish procedures (i) to monitor whether  
42 the initial sub-allocations of qualified energy conservation bonds to large local governments will  
43 be utilized by October 1, 2017; (ii) for the waiver and return to the Committee of sub-allocations  
44 that will not meet the deadline imposed by this subsection; and (iii) for the reallocation of  
45 returned sub-allocations for other projects or purposes that qualify under 26 U.S.C. § 54D(f) for  
46 financing with qualified energy conservation bonds. The Committee shall also develop programs  
47 described by 26 U.S.C. § 54D(f)(1)(A)(iii) and shall consider those programs along with other  
48 eligible uses for qualified energy conservation bonds in determining the reallocation of unused  
49 and returned qualified energy conservation bond allocation."

1                   **SECTION 2.** This act becomes effective October 1, 2025, and applies to Qualified  
2 Allocation Plans adopted by the North Carolina Federal Tax Reform Allocation Committee, or  
3 any agency designated by that Committee, after that date.