

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 1056

Short Title: Relieving Housing Bottlenecks. (Public)

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

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

April 28, 2026

A BILL TO BE ENTITLED

AN ACT TO ALLOW RESIDENTIAL DEVELOPMENT IN ALL COMMERCIAL ZONES,
TO PROHIBIT MINIMUM PARKING REQUIREMENTS, TO REQUIRE THE NORTH
CAROLINA HOUSING FINANCE AGENCY TO ESTABLISH A MUNICIPAL
HOUSING APPROVAL ACCELERATION PROGRAM, TO PRESERVE
SINGLE-FAMILY HOMEOWNERSHIP, TO ESTABLISH A WORKFORCE HOUSING
PRECONSTRUCTION REVOLVING LOAN PROGRAM, AND TO PROVIDE
ADDITIONAL FUNDING FOR THE NORTH CAROLINA HOUSING FINANCE
AGENCY.

Whereas, housing costs in North Carolina have risen sharply over the past decade,
with median home prices increasing by more than 50 percent statewide since 2015 and rents
rising significantly in both urban and rural communities; and

Whereas, more than one in three renter households in North Carolina are cost
burdened, paying over 30 percent of their income toward housing, and hundreds of thousands of
households face severe cost burdens, paying more than half of their income for housing; and

Whereas, wages for many working families have not kept pace with rising housing
costs, placing homeownership further out of reach and increasing financial strain on teachers,
first responders, health care workers, and service employees; and

Whereas, North Carolina continues to experience strong population growth, adding
thousands of new residents each year, while housing production has failed to keep pace with
demand, resulting in low vacancy rates and sustained upward pressure on prices; and

Whereas, regulatory barriers, infrastructure constraints, and lengthy or unpredictable
approval processes increase the cost and time required to build housing, limiting supply and
contributing to higher prices; and

Whereas, expanding housing supply and removing unnecessary bottlenecks are
essential to restoring affordability, strengthening workforce stability, and ensuring that North
Carolina remains competitive and accessible for current and future residents; and

Whereas, the General Assembly declares that addressing housing affordability is an
urgent statewide priority and that effective, supply-focused policy reforms are necessary to
reduce costs and support price-burdened households across North Carolina; Now, therefore,
The General Assembly of North Carolina enacts:

PART I. ALLOW RESIDENTIAL DEVELOPMENT IN ALL COMMERCIAL ZONES

SECTION 1.1. Article 7 of Chapter 160D of the General Statutes is amended by
adding a new section to read:



1 **"§ 160D-707. Residential development allowed in all commercial zones.**

2 (a) In all areas and districts zoned for commercial use, a local government shall allow
3 residential development by right at a density and intensity no less than that allowed in the least
4 restrictive residential zoning district in the jurisdiction in which residential development is
5 permitted by right.

6 (b) Nothing in this section shall be construed to apply to areas zoned for industrial use or
7 to supersede or diminish any applicable building code, fire code, or other general public health
8 and safety regulations or other building design elements generally applicable to residential
9 development."

10 SECTION 1.2. This Part becomes effective July 1, 2027, and applies to permit
11 applications submitted on or after that date.

12
13 **PART II. PROHIBIT PARKING MINIMUMS**

14 SECTION 2.1. G.S. 160D-702 reads as rewritten:

15 **"§ 160D-702. Grant of power.**

16 ...

- 17 (c) A zoning or other development regulation shall not do any of the following:
 - 18 (1) Set a minimum square footage of any structures subject to regulation under
 - 19 the North Carolina Residential Code.
 - 20 (2) Require a or otherwise establish a minimum size, placement, configuration,
 - 21 allocation, location, or number of parking space to be larger than 9 feet wide
 - 22 by 20 feet long unless the parking space is designated for handicap, parallel,
 - 23 or diagonal parking spaces, except as required by the Americans with
 - 24 Disabilities Act of 1990, 42 U.S.C. § 12101, et seq., as amended, or federal
 - 25 regulations promulgated under that Act.
 - 26 (3) Require additional fire apparatus access roads into developments of one- or
 - 27 two-family dwellings that are not in compliance with the required number of
 - 28 fire apparatus access roads into developments of one- or two-family dwellings
 - 29 set forth in the Fire Code of the North Carolina Residential Code for One- and
 - 30 Two-Family Dwellings.

31"

32 SECTION 2.2. This Part becomes effective July 1, 2027, and applies to ordinances
33 and regulations enacted or amended on or after that date.

34
35 **PART III. SUPPORT LOCAL GOVERNMENT PERMITTING**

36 SECTION 3.1. Chapter 122A of the General Statutes is amended by adding a new
37 section to read:

38 **"§ 122A-5.16. Municipal Housing Approval Acceleration Program.**

39 (a) As used in this section, "residential development application" means an application
40 submitted to a local government for the approvals required for the construction of residential
41 dwelling units or the conversion of buildings or portions of buildings into residential dwelling
42 units. This definition includes rezonings, subdivision approvals, site plan approvals, special use
43 permits, and building permits, but excludes post-construction ministerial reviews such as
44 inspections and certificates of occupancy.

45 (b) The North Carolina Housing Finance Agency shall establish and administer the
46 Municipal Housing Approval Acceleration Program to reimburse eligible local governments up
47 to one hundred twenty-five percent (125%) for eligible documented costs incurred to accelerate
48 the review and disposition of residential development applications, including approval, denial,
49 and other final action. The Agency shall do all of the following:

- 50 (1) Develop performance reimbursement limits and eligibility guidelines in
- 51 consultation with the North Carolina League of Municipalities, taking into

1 consideration geography, market conditions, and local capacity. The
2 eligibility guidelines must clearly define and explain which local governments
3 may apply for performance reimbursement under this Program and for which
4 categories of documented costs.

5 (2) Develop a standardized reporting form for local governments to use in
6 applying for performance reimbursement. The form must require a local
7 government to include all of the following from the year in which it is applying
8 for reimbursement:

9 a. Total number of residential development applications received.

10 b. Number of residential development applications that have been
11 approved or denied or remain pending.

12 c. Processing time lines for approvals.

13 d. Amount of eligible costs incurred in granting approvals, identified by
14 category.

15 e. Documentation of eligible costs.

16 (3) Annually review completed applications for performance reimbursement as
17 described in subdivision (2) of this subsection and reimburse local
18 governments in accordance with the Agency's established reimbursement
19 limits. Performance reimbursement amounts may exceed one hundred percent
20 (100%), up to one hundred twenty-five percent (125%), on an individualized
21 basis. The Agency shall consider all of the following local factors in
22 determining whether to reimburse a local government more than one hundred
23 percent (100%):

24 a. Constrained fiscal capacity.

25 b. Constrained staffing availability in rural or small jurisdictions.

26 c. High-growth or high-cost housing markets.

27 d. Extensive reduction in processing time lines for approvals.

28 e. High number of approvals.

29 f. Adoption of best-practice reforms that materially accelerate residential
30 development and housing production.

31 (c) Application. – To receive performance reimbursement for eligible costs, eligible local
32 governments shall first apply to the Agency for reimbursement using the standardized reporting
33 form described in subdivision (2) of subsection (b) of this section.

34 (d) Funds. – The Agency shall use funds appropriated to it for this Program only as
35 provided in this section.

36 (e) Quarterly Report. – The Agency shall report quarterly to the Joint Legislative
37 Economic Development and Global Engagement Oversight Committee and the Fiscal Research
38 Division on all of the following:

39 (1) Total funds obligated and disbursed.

40 (2) Categories of eligible costs being reimbursed.

41 (3) Identification of local governments receiving performance reimbursement.

42 (4) Total number of residential development applications processed by each local
43 government receiving performance reimbursement.

44 (5) Number of residential development applications that have been approved or
45 denied or remain pending for each local government receiving performance
46 reimbursement.

47 (6) Average processing time lines for approvals for each local government
48 receiving performance reimbursement before and after participating in the
49 Program.

50 (7) Any reduction observed by the Agency in processing time lines for approvals
51 attributable to the Program."

1 SECTION 3.2. This Part becomes effective July 1, 2027.

2
3 **PART IV. PRESERVE SINGLE-FAMILY HOMEOWNERSHIP**

4 SECTION 4.1. Chapter 75 of the General Statutes is amended by adding a new
5 Article to read:

6 "Article 9.

7 "Preservation of Single-Family Homeownership.

8 "**§ 75-146. Definitions.**

9 The following definitions apply in this Article:

- 10 (1) Affiliate. – A business entity that wholly or substantially owns, is wholly or
11 substantially owned by, or is under common ownership or control with and
12 that acts directly or indirectly on behalf of, in concert with, or for the benefit
13 of another corporate buyer.
- 14 (2) Business entity. – A corporation, limited liability company, partnership, real
15 estate investment trust, association, joint venture, fund, trust, or other legal
16 entity, whether organized for profit or not for profit, but excluding a
17 governmental entity.
- 18 (3) Corporate buyer. – An individual or business entity who acquires or holds title
19 to a single-family home for any purpose other than owner-occupancy.
- 20 (4) Owner-occupant. – An individual who acquires or holds title to a
21 single-family home and who occupies, or intends in good faith to occupy, the
22 home as the individual's primary residence.
- 23 (5) Single-family home. – A residential structure that is either a fully detached or
24 semi-detached building or that is a row or town home that (i) is separate from
25 any adjacent unit by a ground-to-roof wall, (ii) does not share heating or
26 air-conditioning systems or utilities, and (iii) does not have dwelling units
27 located above or below.

28 "**§ 75-147. Legislative findings and purpose.**

29 (a) The General Assembly finds all of the following:

- 30 (1) The availability of single-family homes for owner-occupancy is vital to the
31 health, safety, welfare, and prosperity of the people of this State.
- 32 (2) Homeownership remains one of the principal means by which households
33 build equity, accumulate intergenerational wealth, achieve residential
34 stability, and participate fully in the economic and civic life of their
35 communities.
- 36 (3) Single-family homes are distinct from other forms of real property in that they
37 are traditionally intended to serve as the primary residences of individuals and
38 families, rather than as a large-scale financial asset class.
- 39 (4) The large-scale acquisition and holding of single-family homes by corporate,
40 institutional, and other business entities for rental or speculative purposes can
41 reduce the supply of homes available for owner-occupants, intensify
42 competition for entry-level and moderate-cost homes, and contribute to the
43 displacement of prospective homebuyers by portfolio purchasers.
- 44 (5) When substantial numbers of single-family homes are converted from
45 opportunities for family ownership into instruments of large-scale rent
46 extraction, the State suffers not only economic harm, but social and civic harm
47 through reduced neighborhood stability, diminished opportunities for wealth
48 formation, and increased dependence of residents upon concentrated private
49 market power for basic housing.
- 50 (6) Single-family homes should, as a matter of public policy, be preserved
51 primarily for ownership and occupancy by individuals and families and should

1 not be subject to indefinite aggregation by large-scale landlord interests or
2 accumulated at scale by corporate buyers whose principal purpose is to hold
3 such homes as rental inventory, speculative inventory, or other investment
4 assets.

5 (b) Therefore, the purpose of this Article is to protect the single-family housing market
6 from excessive concentration, preserve meaningful opportunities for owner-occupancy, deter the
7 treatment of single-family homes as a large-scale commodity class, and promote the broad
8 distribution of the benefits of homeownership among the people of North Carolina.

9 **"§ 75-148. Prohibited large-scale acquisition of single-family homes.**

10 (a) It is unlawful for a corporate buyer to purchase, acquire, or otherwise obtain an
11 ownership interest in a single-family home in this State if, upon consummation of the transaction,
12 that corporate buyer would own, lease-purchase, control, or hold a beneficial interest in more
13 than 25 single-family homes in this State that are used primarily for rental, speculative, or other
14 non-owner-occupancy purposes.

15 (b) For purposes of this section, homes owned or controlled by affiliates are aggregated.

16 (c) A purchase made in violation of this section is an unfair or deceptive act or practice
17 affecting commerce under G.S. 75-1.1.

18 **"§ 75-149. Exemptions.**

19 This Article does not apply to any of the following:

20 (1) A single-family home acquired by devise, descent, or other inheritance.

21 (2) A single-family home acquired by a lender, loan servicer, or governmental
22 entity through foreclosure, deed in lieu of foreclosure, enforcement of a
23 security interest, tax foreclosure, or similar process, provided the acquiring
24 party does not retain the home for rental or speculative purposes longer than
25 24 months after acquisition.

26 (3) A single-family home acquired, in whole or majority part, by a nonprofit
27 organization, community land trust, or public housing-related entity for the
28 purpose of affordable homeownership, transitional housing, community
29 stabilization, or other public or charitable housing purpose.

30 (4) A builder or developer acquiring, constructing, or holding a single-family
31 home in the ordinary course of development for initial sale to an
32 owner-occupant, and not for long-term rental portfolio purposes.

33 (5) An individual acting in the individual's own name for personal, family, or
34 household purposes.

35 **"§ 75-150. Enforcement; remedies.**

36 (a) The Attorney General shall have the same authority under this Article to investigate,
37 bring civil actions, seek injunctive relief, and obtain other remedies as provided under this
38 Chapter.

39 (b) In addition to any other relief authorized by law, a court may do any of the following
40 upon finding a violation of this Article:

41 (1) Enjoin the acquisition or continued ownership of a single-family home
42 acquired in violation of this Article.

43 (2) Order divestiture of a single-family home acquired in violation of this Article
44 within a reasonable period set by the court.

45 (3) Order disgorgement to the State of any rents, proceeds, appreciation, fees, or
46 other profits derived from a single-family home acquired or held in violation
47 of this Article.

48 (4) Award restitution, damages, costs, and reasonable attorneys' fees.

49 (5) Impose a civil penalty of not more than ten thousand dollars (\$10,000) per
50 home acquired in violation of this Article.

1 (c) A court may join affiliates and other interested parties as necessary to ensure a full
2 accounting of ownership and effective enforcement of this Article.

3 (d) The remedies under this Article are cumulative and do not limit any other rights or
4 remedies available under law."

5 **SECTION 4.2.** This Part becomes effective October 1, 2026, and applies to
6 acquisitions occurring on or after that date.

7
8 **PART V. ESTABLISH WORKFORCE HOUSING PRECONSTRUCTION REVOLVING**
9 **LOAN PROGRAM**

10 **SECTION 5.** Chapter 122A of the General Statutes is amended by adding a new
11 section to read:

12 **"§ 122A-5.17. Revolving loan fund to finance short-term workforce housing**
13 **preconstruction costs.**

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

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

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

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

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

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

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

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

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

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

43
44 **PART VI. INCREASE FUNDING FOR NORTH CAROLINA HOUSING FINANCE**
45 **AGENCY**

46 **SECTION 6.1.** There is appropriated from the General Fund to the North Carolina
47 Housing Finance Agency the sum of one hundred twenty million dollars (\$120,000,000) in
48 nonrecurring funds for the 2026-2027 fiscal year as a directed grant to establish the Municipal
49 Housing Approval Acceleration Program pursuant to this act.

50 **SECTION 6.2.** The State Controller shall transfer the sum of forty million dollars
51 (\$40,000,000) in nonrecurring funds for the 2026-2027 fiscal year from funds available in the

1 Economic Development Project Reserve, established in Section 2.2 of S.L. 2021-180, to the
2 North Carolina Housing Trust Fund for the Workforce Housing Preconstruction Revolving Loan
3 Program established by this act.

4

5 **PART VII. EFFECTIVE DATE**

6 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
7 law.