

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 1001

Short Title: Zoning for Inclusionary Housing. (Public)

Sponsors: Senators Gulley; Ballance, Dannelly, Kinnaird, Lucas, Miller, Rand, and Reeves.

Referred to: Judiciary I.

April 5, 2001

A BILL TO BE ENTITLED
AN ACT TO ALLOW ZONING FOR INCLUSIONARY HOUSING.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds and declares that the purpose of this act is to provide authority for cities and counties to use inclusionary zoning to promote the development of affordable housing for sale or rental to persons and families of low and moderate income. The General Assembly finds and declares that there exists in cities and counties a serious shortage of decent, safe, and sanitary residential housing available at low prices or rentals to persons and families of low and moderate income. This shortage is inimical to the health, safety, welfare, and prosperity of all residents of the State and to the sound growth of North Carolina communities.

SECTION 2. Article 18 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-341.2. Zoning for inclusionary housing.

(a) For the purposes of this section, the following definitions apply:

(1) Affordable dwelling unit. – A dwelling unit which is affordable for:

a. Sale to any person or family whose income does not exceed eighty percent (80%) of the median family income for the local area, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development, or

b. Rent to any person or family whose income does not exceed sixty percent (60%) of the median family income for the local area, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development.

1 (2) Inclusionary zoning. – Any zoning regulation, requirement, or
2 condition of development imposed by ordinance or regulation, or
3 pursuant to any special permit, special exception, or subdivision plan
4 that promotes the development of affordable housing units.

5 (b) A county may use inclusionary zoning to increase the availability of
6 affordable dwelling units in the county. If the county requires a developer to construct
7 one or more affordable dwelling units, the county may grant to the developer permission
8 to construct a total number of units in excess of the number allowed by any applicable
9 density limit.

10 (c) Under inclusionary zoning, an affordable dwelling unit must stay affordable
11 for at least five years, but no more than 50 years, after development."

12 **SECTION 3.** Article 19 of Chapter 160A of the General Statutes is amended
13 by adding a new section to read:

14 **"§ 160A-383.2. Zoning for inclusionary housing.**

15 (a) For the purposes of this section, the following definitions apply:

16 (1) Affordable housing unit. – A dwelling unit which is affordable for:

17 a. Sale to any person or family whose income does not exceed
18 eighty percent (80%) of the median family income for the local
19 area, with adjustments for family size, according to the latest
20 figures available from the U.S. Department of Housing and
21 Urban Development; or

22 b. Rent to any person or family whose income does not exceed
23 sixty percent (60%) of the median family income for the local
24 area, with adjustments for family size, according to the latest
25 figures available from the U.S. Department of Housing and
26 Urban Development.

27 (2) Inclusionary zoning. – Any zoning regulation, requirement, or
28 condition of development imposed by ordinance or regulation, or
29 pursuant to any special permit, special exception, or subdivision plan
30 that promotes the development of affordable housing units.

31 (b) A city may use inclusionary zoning to increase the availability of affordable
32 dwelling units in the city. If the city requires a developer to construct one or more
33 affordable dwelling units, the city may grant to the developer permission to construct a
34 total number of units in excess of the number allowed by any applicable density limit.

35 (c) Under inclusionary zoning, an affordable dwelling unit must stay affordable
36 for at least five years, but no more than 50 years, after development."

37 **SECTION 4.** G.S. 42-14.1 reads as rewritten:

38 **"§ 42-14.1. Rent control.**

39 No county or city as defined by G.S. 160A-1 may enact, maintain, or enforce any
40 ordinance or resolution which regulates the amount of rent to be charged for privately
41 owned, single-family or multiple unit residential or commercial rental property. This
42 section shall not be construed as prohibiting any county or city, or any authority created
43 by a county or city for that purpose, from:

- 1 (1) Regulating in any way property belonging to that city, county, or
2 ~~authority;~~authority.
- 3 (2) Entering into agreements with private persons which regulate the
4 amount of rent charged for subsidized rental ~~properties;~~ or properties.
- 5 (3) Enacting ordinances or resolutions restricting rent for properties
6 assisted with Community Development Block Grant Funds.
- 7 (4) Enacting ordinances or resolutions restricting rents for properties
8 designated as affordable dwelling units under G.S. 153A-341.2 or G.S.
9 160A-383.2."
- 10 **SECTION 5.** This act is effective when it becomes law.