This document provides a review of SB317, Addressing the Workforce Housing Crisis, which was filed in the Senate on 3/15/23. The bill seeks to establish workforce housing developments, which are 10-acre residential developments comprised of single-family detached, duplex, and attached residential development that are pre-empted from basic local government planning requirements, including:

- Allowable zoning districts
- Residential densities
- Dimensional requirements
- Landscaping
- Utility system fees
- A maximum 60-day approval period

APANC agrees that there is a crisis of housing availability and affordability for North Carolinians that needs to be addressed, but pre-emption of local government regulations as the primary means of addressing these challenges falls short of the mark and is likely to produce more problems than it solves. We offer the following observations about the proposed language of SB317.

### WORKFORCE HOUSING DEVELOPMENTS ALLOWED IN ANY ZONING DISTRICT

SB317v1 - p. 3 §160D-802.1 (a)  
Requires local governments to permit workforce housing developments in any zoning district regardless of the district’s intent or range of uses.

This is contrary to NC law requiring communities to adopt comprehensive plans to direct certain uses to most appropriate areas (NCGS §160D-501)

Ignores many State and federal limitations on residential development locations established to protect public safety:  
(e.g., airport overlay districts, flood damage prevention districts, water supply watershed districts, etc.)

### EXEMPTION FROM DENSITY AND DIMENSIONAL REQUIREMENTS

SB317v1 - p. 3 §160D-802.1 (a)  
Prohibits the application of maximum density or minimum dimensional requirements within a workforce housing development.

This ignores health/safety aspects related to:

- Stormwater management
- On-site wastewater system separation requirements
  - Roadway access management
  - Driveway spacing
  - Firefighting capability

The lack of density requirements confounds the ability to plan for future school and infrastructure needs.

### HOUSING UNIT AFFORDABILITY ONLY ENSURED FOR 1 YEAR

SB317v1 - p. 3 §160D-802.1 (b)(4)(b)

Occupancy of affordable units by owners meeting qualifying income limits is only required for one year, and there are no deed restrictions or other protections for long-term affordability.

Affordable units created can be sold as market-rate units after 12 months.

No mechanism to ensure availability of affordable housing over the long term.

Only 20% of units in the workforce housing development must be affordable, and only half of those must be designated for purchasers making less than 100% of AMI.

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We believe the legislation could be improved with the following revisions:

1. Inclusion of a better balance between reseller equity capture and long-term provision of affordable units, such as deed restrictions.
2. Use of an outside agency or other mechanism to track purchaser income eligibility rather than the developer or a local government.
3. Assistance to local governments from the General Assembly with housing planning mandates and funding incentives for provision of workforce housing (as is currently being done in other states) rather than legislation that rests primarily on regulatory pre-emption.

The North Carolina Chapter of the American Planning Association stands ready to assist and engage the Legislature and other groups in whatever capacity would be appropriate, including providing more detail on anticipated repercussions of this legislation or working to develop collaborative solutions to the State’s affordable housing crisis. Thank you for your consideration and your hard work towards making North Carolina a better place to live.