

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 708 Affordable Housing

SHORT TITLE: Affordable Housing

SPONSOR(S): Senator Odom

FISCAL IMPACT

	Yes ()	No ()	No Estimate Available (X)		
	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>

REVENUES

EXPENDITURES No Estimate Available

POSITIONS:

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:** North Carolina counties having a population in excess of 500,000.

EFFECTIVE DATE: When it becomes law.

BILL SUMMARY: S 708. AFFORDABLE HOUSING. ALLOWING COUNTIES HAVING A POPULATION IN EXCESS OF 500,000 TO PROVIDE AFFORDABLE HOUSING FOR PERSONS OF LOW AND MODERATE INCOME. Adds new GS 153A-378 authorizing counties above 500,000 in population to appropriate and expend funds for residential housing construction (new and rehabilitated) for sale or rental to persons and families of low and moderate income. Board may acquire real property, contract for improvements, and sell the property by private sale to persons of low or moderate income or to public or private entities that provide housing to persons of low or moderate income. Amends GS 153A-149(c) to allow counties to levy property taxes for the purpose and GS 153A-48(c) to permit borrowing money for the purpose. New GS 153A-48(c)(6) provides that a housing project may provide housing for persons other than those of low or moderate income if at least 20% of the units in the project are exclusively reserved for those of low or moderate income. Bond proceeds may not be used for rent subsidies.¹

¹ Daily Bulletin, Institute of Government, UNC-Chapel Hill, Vol. 1999, April 1, 1999.

ASSUMPTIONS AND METHODOLOGY: Senate Bill 708 provides authorizing legislation to North Carolina counties for the purpose of providing affordable housing opportunities for persons of low and moderate income. The bill applies only to counties with a population in excess of 500,000. According to the Office of State Planning's *1997 Certified County Population Estimates*, Wake and Mecklenburg counties would qualify under this designation.

There is no reliable manner in which to estimate the number of instances in which counties would choose to exercise the new powers added under G.S. 153A-378, nor is there a reliable estimate of the costs the counties would subsequently incur. The bill addresses project costs by amending current law [G.S. 153A-149(c)], allowing counties to levy property taxes in order to provide affordable housing, and permits counties to borrow funds for those same purposes [(G.S. 159-48(c)]. Senate Bill 708 is permissive and does not require counties with populations in excess of 500,000 to exercise this option.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Jennifer L. Herrera

APPROVED BY: Tom Covington

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