

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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SENATE BILL 325

Short Title: Create Dept. of Housing and Comm. Development. (Public)

Sponsors: Senators Smith and Grafstein (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 19, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE NORTH CAROLINA DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Housing and Community Development is established in this act as a single, unified cabinet-level department. The following divisions and offices are hereby established within the Department of Housing and Community Development:

- (1) Division of Operations.
- (2) Division of Community Development.
- (3) Division of Housing.
- (4) Policy and Legislative Office.

SECTION 1.(b) G.S. 143B-2 reads as rewritten:

"§ 143B-2. Interim applicability of the Executive Organization Act of 1973.

The Executive Organization Act of 1973 shall be applicable only to the following named departments:

...

(15) Department of Housing and Community Development."

SECTION 1.(c) G.S. 143B-6 reads as rewritten:

"§ 143B-6. Principal departments.

In addition to the principal departments enumerated in the Executive Organization Act of 1971, all executive and administrative powers, duties, and functions not including those of the General Assembly and its agencies, the General Court of Justice and the administrative agencies created pursuant to Article IV of the Constitution of North Carolina, and higher education previously vested by law in the several State agencies, are vested in the following principal departments:

...

(17) Department of Housing and Community Development."

SECTION 1.(d) G.S. 126-5(d)(1) reads as rewritten:

- "(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of 425 exempt positions throughout the following departments and offices:

...

p. Department of Housing and Community Development."

SECTION 2. Chapter 143B of the General Statutes is amended by adding a new Article to read:



"Article 18.

"Department of Housing and Community Development.

"§ 143B-1820. Organization; mission.

(a) There is established the Department of Housing and Community Development. The Department shall perform all functions of the executive branch of the State in relation to housing and community development. The Department shall have the following internal structure:

(1) Division of Operations. – Provides operations and fiscal services for the Department.

(2) Division of Community Development. – Develops and implements plans for community revitalization and for expansion of broadband access.

(3) Division of Housing. – Develops and implements plans for housing production and preservation, homeless and special needs housing, housing policy, and natural disaster resilience.

(4) Policy and Legislative Office. – Serves as the interagency liaison between the Department and the General Assembly as well as other federal, State, and local entities.

(b) The Department's mission consists of the following:

(1) Partner with communities in this State to develop economic potential of communities and residents.

(2) Provide training and certification for building officials.

(3) Invest in housing and community development projects in this State to assist low- to moderate-income residents.

"§ 143B-1821. Powers and duties of the Secretary.

The head of the Department is the Secretary of the Department of Housing and Community Development. The Secretary shall have the powers and duties as are conferred on the Secretary by this Article, delegated to the Secretary by the Governor, and conferred on the Secretary by the Constitution and laws of this State. The Secretary is authorized to adopt rules and procedures for the implementation of this Article.

"§ 143B-1822. Board of Housing and Community Development; terms.

(a) There is established the North Carolina Board of Housing and Community Development to advise the Secretary and to assist in the mission of the Department. The Board shall consist of the Secretary, who shall be an ex officio member and shall serve as chair, and nine other members appointed as follows:

(1) Five members appointed by the Governor.

(2) Two members appointed by the President Pro Tempore of the Senate.

(3) Two members appointed by the Speaker of the House of Representatives.

(b) The term of office for members of the Board shall be two years and until a member's successor has been duly appointed. Vacancies in the Board shall be filled by the appropriate appointing authority. Legislative appointments shall be made in accordance with G.S. 120-121. A vacancy in a legislative appointment shall be filled in accordance with G.S. 120-122."

SECTION 3.(a) There is appropriated from the General Fund to the Department of Housing and Community Development, established in this act, the sum of thirty million dollars (\$30,000,000) in recurring funds for the 2025-2026 fiscal year.

SECTION 3.(b) This section becomes effective July 1, 2025.

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.