

February 7, 2025 | nclm.org

## Legislators, State Treasurer Continue Push on Disaster Relief

State leaders continued efforts this week to provide relief and aid to parts of western North Carolina devastated by Hurricane Helene. On Monday, Governor Josh Stein delivered his request for \$1.07 billion in state funding to the General Assembly. On Wednesday, the House Select Committee on Helene Recovery published its proposal for spending \$500 million, including some of the funding that Gov. Stein requested. Both Gov. Stein and the House committee proposals include \$150 million to help with home reconstruction and repairs and both include funding to help farmers and to rebuild private roads and bridges. Left out of the House proposal was Gov. Stein's proposed \$100 million for local governments to replace lost revenue or spent reserves and a proposed \$34 million to provide summer school in districts that missed more than 15 school days in the immediate aftermath of Helene.

For the House's part, committee chair Rep. John Bell assured members and the audience that the House's \$500 million is "... a starting point, with multiple bills after this to follow." He also forecasted that additional spending could be added when the Senate determines its preferred approach to the recovery. The Senate filed a placeholder disaster relief bill Wednesday. House lawmakers could begin advancing their relief package as early as next week. Sales tax figures for October and November should be available in late February or early March, providing a full measure of the fiscal impact from the disruption of the fall tourist season.

Meanwhile, western N.C. local governments anticipate the start of a \$100 million local government lending program overseen by the State Treasurer's office. Taking into account advice from the League and the NC Association of County Commissioners, newly elected State Treasurer Brad Briner's office <a href="mailto:announced">announced</a> last week that loans under that program would start being offered as soon as February 24. Because the funding formula deepens on information in the FEMA Public Assistance Project Worksheets, the League urges interested local governments to update their figures by the Treasurer's Feb. 14 deadline.

### Business Groups Release Statewide Housing Supply Analysis

The NC Chamber Foundation, NC REALTORS, and North Carolina Home Builders Association released a <u>statewide Housing Supply Gap Analysis</u> this week, conducted by Bowen National Research. <u>The report</u> provided a comprehensive assessment of North Carolina's housing needs from 2024 to 2029 and identified a significant housing deficit, finding a need for nearly 765,000 additional for-sale and rental housing units to meet projected demand. Urban counties such as Mecklenburg, Wake, Guilford, and Durham exhibited the highest numerical housing gaps, while rural to suburban areas like Chatham, Lee, Orange, and Watauga counties had disproportionately high housing deficits relative to their population size, according to the report's findings.

The report attributed the housing shortfall to a combination of rapid population growth, economic expansion, rising housing costs, and a lack of affordable housing inventory. Despite increased building permit activity, supply has not kept pace with demand, particularly for lower-income households. The report also highlighted disparities in housing affordability, with many counties experiencing severe cost burdens among renters and homeowners alike.

From a policy perspective, the report recommended a multifaceted approach, including public education on housing issues, localized housing plans, and incentives to preserve existing housing while encouraging new development. Notably, it suggested modifications to zoning and land-use policies to facilitate more residential growth, which could impact municipal authority over development regulations.

For North Carolina cities and towns, these recommendations underscore the need for local government flexibility to address unique housing challenges. However, any state-imposed policies limiting municipal decision making could undermine local planning efforts. The NC League of Municipalities will continue advocating for balanced solutions that empower cities to appropriately manage growth while addressing housing needs effectively.

# NLC Launches Federal Issue Resource Page

The National League of Cities (NLC) has established a <u>webpage</u> to track key federal issues impacting local governments. With uncertainty as a theme of President Trump's first few weeks in office, in just the past few weeks, numerous Executive Orders and departmental decisions have caused significant concerns for cities and towns, especially related to federal funding. This page will be a key resource to navigate the evolving federal landscape.

For now, federal agencies are issuing decisions on whether or not to continue federal

funding programs on a case by case basis. Significantly for N.C. cities, earlier this week, numerous news outlets <u>reported</u> that the U.S. Environmental Protection Agency would continue funding projects authorized under the Bipartisan Infrastructure Act and the Inflation Reduction Act, among others. Many N.C. cities received funding under these laws for local water and wastewater projects.

#### Legislative Goals Approved

After a lengthy member-driven process, member cities and towns have chosen the Legislative Goals for the 2025-26 legislative biennium. NCLM thanks all municipal representatives who were involved in this process, whether you served on the NCLM Legislative Policy committee, took part in the numerous in-person or virtually listening sessions soliciting ideas, or assisted your city or town in the final electronic voting to select the list of 10 goals to be pursued. Here are the goals, for your consideration, in both a single-page listing and a two-page document providing context for each goal.

This process ultimately involved 197 individuals representing 154 municipalities, and that broad participation is so important as we now begin the work of seeking approval of the goals before the North Carolina General Assembly. We hope that you take the opportunity to discuss these proposals with your legislators at an appropriate time. Your involvement in NCLM's advocacy efforts is so vital to our success.

**ONE PAGE GOALS** 

TWO PAGE GOALS



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