



**BUSINESS
ALLIANCE**
FOR A SOUND ECONOMY

May 2026 Advocacy Update

The Business Alliance for a Sound Economy (BASE) is the collective advocacy voice for over 10,000 business and trade association members and 70+ businesses across southeastern North Carolina. BASE marshals its coalition to advance smart and sustainable growth, capital investment, economic prosperity, and quality of life.

Why the North Carolina Treasurer Matters: The Hidden Hand of State Government

If you'll indulge me (this is Jerod writing) a brief flashback to graduate school... the economist Frédéric Bastiat observed that one of public policy's greatest challenges is recognizing not just the consequences we can see, but the ones we cannot.



The hidden, delayed consequences of government action are often far more consequential than the issues commanding public attention. No office in North Carolina embodies that reality more than the State Treasurer.

For years, North Carolina's previous treasurer bragged about "protecting" the state's pension fund with conservative investments and using low-cost indexes to cut active management fees. But less apparent were the long-term consequences of the pension fund's underperformance. As investment returns lagged, the state pension's actuarial strength slowly eroded. Rather than appearing all at once, the shortfall was gradually offset through state-mandated increases in employer-paid pension contributions, **quietly adding to the carrying cost of every public employee in North Carolina.**

Like a frog in a slowly boiling pot, those contribution rates ratcheted upward. Over the past decade, employer pension contributions more than doubled as a percentage of salary. In the five counties represented by BASE alone (Brunswick, New Hanover, Pender, Onslow, and Carteret), that increase accounted for **more than \$100 million in local government added public pension costs in 2026 alone.** Over the next nine years, that **cumulative burden will eclipse \$1 billion—in just five counties in southeastern North Carolina.**

That's \$1 billion (with a "B") that could have funded infrastructure. Twice the cost of the Hampstead Bypass. The approximate cost of replacing the Cape Fear Memorial Bridge. Unleveraged, it could fill one-eighth of the WMPO's 25-year transportation funding gap. In a fast-growing region where infrastructure capacity directly shapes economic growth and development potential, the upstream decisions of the Treasurer's office matter enormously.

The State Treasurer is the hidden hand of North Carolina government. You feel its effects in every state and local government budget deliberation, on every property tax bill, and every delayed or foregone infrastructure project.

Last year, North Carolina welcomed Brad Briner as its new State Treasurer. Among his first major actions was to confront the performance problems with the pension fund, restore actuarial strength, and reduce its drag on North Carolina's economy. That's one of many reasons why BASE is so heavily interested in this office, and why we are

eager to introduce our members to one of the most consequential reformers in state government today.



RSVP with [This Link](#) for the
June 8th BASE Member Meeting

Monday, June 8th

Terraces on Sir Tyler

[1826 Sir Tyler Drive, Wilmington](#)

11:30 a.m. lunch and conversation

12:00 p.m. program begins

RSVP by Monday, June 1 (late
RSVPs still accepted)

Meet our Guest Speaker: NC Treasurer Brad Briner

On **Monday, June 8th**, BASE welcomes North Carolina's newly minted State Treasurer, Brad Briner, as special guest speaker for our quarterly member meeting. You won't want to miss this opportunity, so **RSVP today** for you and your colleagues. Members are also invited to bring prospective new members as complementary guests.



Since his victory this past general election, Briner has quickly emerged as **one of the state's most consequential and reform-minded public officials**. He has embarked on a sweeping modernization effort across the Treasurer's office, reforming pension governance and modernizing operations.

Within months of taking office, his administration passed landmark reforms to the state's \$127 billion pension system after years of underperformance relative to peer systems and benchmark returns. Having **previously served as Chief Investment Officer for Michael Bloomberg's family office and Bloomberg Philanthropies**, Briner is drawing on private sector investment best practices to bring a more disciplined, performance-oriented investment culture to state government.

Briner inherited a pension system facing mounting pressure from years of underperformance, which contributed to rapidly rising employer contribution costs for state and local governments. For the five counties within BASE's footprint, that equates to over \$100 million more this year alone in higher pension contributions. If left uncorrected, the long-term costs would potentially displace billions in capital improvements, service improvements, and taxpayer burdens over the next decade.

Briner has also confronted mounting financial pressure within the State Health Plan, which faced projected multi-billion-dollar deficits in coming years, while charting a path toward long-term solvency.

For southeast North Carolina, the Treasurer's office is especially important for its central role overseeing the **Local Government Commission**, which supervises debt issuance for critical infrastructure and capital improvement projects.

Briner is uniquely positioned to provide insight into the fiscal health, economic competitiveness, infrastructure demands, and policy challenges that will shape North Carolina's future growth and prosperity. Make plans today to join BASE for the June 8 member meeting to hear directly from this rising star in North Carolina politics.



All the Latest News on Brunswick County Wastewater Extension Permits

Current Status: Sewer extension permits are now moving again for projects tied to **both the west and the northeast regional wastewater systems** in Brunswick County.

Following months of uncertainty, the NC Department of Environmental Quality (DEQ) has finally stated its intent to **resume issuing permits for**

the west system under the same variance framework previously established for the northeast system.

This is a significant and welcome development. While far from ideal, this at least resumes forward movement for applicants stuck in limbo. The **variance process does add both cost and time** by requiring the variance to be obtained before submitting a permit application but does restore a pathway for permit issuance.

With permit issuance now resuming, the critical path items have shifted from regulatory interpretation to long-term treatment capacity. Brunswick County is in the final stages of permitting a major expansion of the northeast treatment

plant, which is expected to provide substantial additional capacity for future growth. However, the west system's treatment plant has less capacity and has made less progress toward expansion.

The county has received a Letter of Speculative Limits from DEQ for a planned expansion of the west plant, which validates the county's proposed capacity target and anticipated discharge strategy. However, **a speculative limits determination is not a permit**. The west plant expansion remains in the design phase and must still move through the state's permitting process before that future capacity can be counted upon with certainty. Moreover, the clock is ticking as excess capacity continues to diminish.

Current Advocacy Priorities: With sewer extension permits once again being issued, the focus must now turn toward ensuring that treatment capacity keeps pace with the county's continued growth.


BASE's advocacy priorities are twofold. First, Brunswick County should advance the planned expansion of the West Brunswick Regional Wastewater Treatment Plant with all due speed. The county has made important progress by securing speculative limits and advancing project design, but timely completion of the permitting and construction process is critical to maintaining uninterrupted capacity.

Second, DEQ should address permit review delays for treatment plant expansion permits, processing them in a timely and efficient manner. The recent line extension permit delays demonstrate how quickly a lack of certainty can ripple through housing, economic development, and real estate transactions. Timely review and approval of plant expansion permits will help ensure that treatment capacity remains ahead of demand and prevent future permitting disruptions.

While significant challenges remain, the resumption of permit issuance represents meaningful progress and reflects the value of continued advocacy and engagement.

Background: Late last year, NC DEQ halted most sewer extension permits in Brunswick County under its interpretation of Session Law 2023-55 (SB 673), marking the first time the agency applied the law in this manner and doing so without prior guidance. The action effectively froze approvals for both the northeast and west regional wastewater systems, disrupting a long-standing permitting framework and slowing economic activity, real estate transactions, and development.

Historically, permits have been governed by the state's "80/90 Rule," which relies on actual wastewater flow to trigger planning and expansion. While SL 2023-55 introduced a paper allocation calculation allowing permits beyond 100% capacity as a safe harbor, DEQ initially treated the safe harbor threshold as a hard cap, overriding measures of real-world system performance and ongoing expansion plans. The resulting permit freeze created significant uncertainty across Brunswick County and highlighted the importance of maintaining both regulatory clarity and timely investment in future treatment capacity.



Stein's Executive Order on Housing Signals Focus on the Right Challenges

On May 19, Governor Josh Stein signed [Executive Order 36](#), a directive aimed at increasing housing supply and affordability across North Carolina. For many in the development and business community, the order is a welcomed indication that housing supply constraints are a growing concern for state leaders.

Addressing the issue in any meaningful way will force policymakers to confront zoning and land use challenges, regulatory friction, and a growing gap in infrastructure needs.



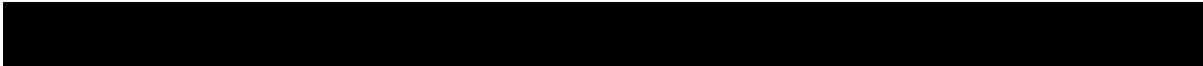
The executive order cites the [2025 Housing Supply Gap Analysis](#) jointly commissioned by the NC Chamber, NC Realtors, and NC Home Builders Association. Namely, the state has a projected **housing shortage of 764,000 units by 2029**, including more than 442,000 homes for purchase and 322,000 rental units. It also notes that **affordability declined in all 100 North Carolina counties** between 2020 and 2025, and roughly half of renter households are now considered housing cost burdened.

One of the order's most welcomed signals is not simply framing this as an affordability concern but as **a challenge for the state's economic competitiveness**. The order highlights that North Carolina attracted more new residents than any other state last year while securing more than \$24 billion in announced capital investment projects tied to economic development.

Rather than focusing exclusively on subsidies, the order repeatedly emphasizes **housing production and market capacity**. Stein specifically called for “more homes of all types,” including single-family homes, apartments, duplexes, townhomes, manufactured housing, and workforce housing. It also **acknowledges the role regulatory and land-use barriers can play in limiting supply** and **encourages local governments to evaluate zoning and development policies** that may unnecessarily constrain housing production.

In addition, the order directs state agencies to better coordinate housing efforts with transportation, infrastructure, economic development, and planning initiatives while establishing a statewide housing strategy and creating a **Senior Advisor for Housing Policy position within the Governor’s Office**.

In and of itself, the order does little in the way of practical and actionable policy solutions. It does, however, suggest that the Governor is looking in the right direction for answers by recognizing housing as central to North Carolina’s long-term economic competitiveness, examining regulatory barriers across state government, and acknowledging the role local land-use and development policies can play in constraining housing supply and growth.





Key Takeaways from Governor Stein’s Housing Executive Order

Governor Josh Stein’s recent housing executive order is notable less for immediate policy changes and more for the framework it establishes around North Carolina’s housing challenges. The order frames the housing issue as primarily matters of housing supply, regulatory barriers, and economic competitiveness. Major themes and actions of the order include:

Expanding Housing Supply

The order frames affordability primarily as a supply challenge and calls for increasing housing production across a broad range of housing types, including single-family homes, apartments, duplexes, townhomes, manufactured housing, and workforce housing. It also encourages higher-density and infill development where appropriate.

Connecting Housing to Economic Competitiveness

The administration explicitly ties housing availability to workforce recruitment, economic mobility, and North Carolina’s ability to sustain economic growth and attract investment. Housing is increasingly being discussed as economic infrastructure rather than solely a social policy issue.

Improving Coordination Across State Government

The order seeks to better align housing policy with transportation, infrastructure, planning, and economic development initiatives. It also creates a Senior Advisor for Housing Policy position within the Governor’s Office to help

coordinate statewide strategy, and creates a policy lead for state departments and agencies with a regulatory impact on housing and development.

Addressing Regulatory & Land-Use Barriers

Importantly, the order acknowledges the role zoning restrictions, land-use policies, and regulatory friction can play in constraining housing production. Local governments are encouraged to evaluate policies that may unnecessarily limit supply or increase development costs and delays.

Expanding Data & Accountability Efforts

The administration also plans to develop additional statewide housing metrics, tracking systems, and reporting tools to better identify shortages, monitor housing production, and evaluate long-term progress.



NC House and Senate Leaders Develop Budget Framework

Earlier this month, House and Senate leaders announced a budget framework that either settles or creates a pathway to settle the most significant divisions between the two chambers' Republicans.

The framework largely continues the states trajectory toward reducing taxes and fiscal restraint, with targeted spending to address specific issues tied to education and healthcare. Key elements of the framework include:

- Continued emphasis on restrained spending growth, reserve strength, and long-term fiscal stability, with high value placed on the state's AAA credit ratings.
- Preserving scheduled income tax reductions while further locking in North Carolina's lower long-term tax structure. The agreement also includes a proposal to place a new 3.5% constitutional cap on the state income tax rate before voters this November.
- Along with the income tax ballot measure would be one for a constitutional amendment directing the legislature to establish limits on local government property tax levy growth.
- Significant compensation adjustments for teachers, state employees, and law enforcement personnel. The framework reportedly includes average teacher pay increases approaching 8%, along with targeted raises and bonuses for correctional officers, Highway Patrol, SBI, ALE, probation and parole officers, and other public safety positions facing recruitment and retention challenges.
- Continued support for Opportunity Scholarships and other school-choice initiatives, which remain a major priority for legislative Republicans.
- Major healthcare and workforce-related investments, including approximately \$208 million for the proposed North Carolina Children's Hospital in Apex — a partnership between UNC Health and Duke Health intended to expand pediatric healthcare capacity amid rapid statewide population growth and increasing regional demand.

- Medicaid stabilization funding emerged as one of the earliest areas of bipartisan agreement, including a roughly \$319 million package designed to address immediate program funding pressures.
- Ongoing discussion surrounding government efficiency, workforce management, and long-term control of recurring expenditures, including continued scrutiny of vacant state positions and agency growth.

Lawmakers have yet to pass a budget for the current biennium, operating instead on the previous one with targeted adjustments. To be clear, a budget framework is just that—a framework—and not a final product. However, it does resolve most of the internal differences among Republicans, which could have threatened the short session’s productivity.

Constitutional Amendments Advance Toward November 2026 Ballot



Several major constitutional amendments backed by Republican legislative leadership are advancing through the General Assembly, which could impact North Carolina’s long-term tax and governance framework.

Amendments require three-fifths support in both chambers before going to voters, meaning Republicans need crossover votes in the House to move several proposals forward. That support has been coming from former Democratic representatives Carla Cunningham and Nasif Majeed, who recently became unaffiliated after losing their primaries this past

March. Their votes helped Republicans secure the supermajorities necessary to advance at least income and property tax amendment measures.

Income Tax Cap Amendment

The furthest-advanced proposals during the short session include [Senate Bill 1080](#), which would lower North Carolina's constitutional cap on income tax rates from 7% to 3.5%. The amendment has now cleared both chambers. Legislative constitutional amendments do not require the governor's signature so the proposal now moves directly to voters and will appear on the November 2026 ballot. North Carolina voters previously approved a constitutional amendment in 2018 lowering the cap from 10% to 7%. The current flat income tax rate sits at 3.99% and is already scheduled under existing law to decline to 3.49% in 2027.

Property Tax Levy Limit Amendment

The second major tax-related proposal, [House Bill 1089](#), has also cleared both chambers and is also headed to voters this November. The amendment would require the General Assembly to establish limits on local government property tax levy growth through future legislation. Importantly, the amendment itself does not create a specific cap or formula but directs lawmakers to define those limits later through general law. The devil is in the details on this one given vast differences in local government fiscal policy, capital improvements, and growth needs, and how levies related to voter-approved projects might be treated.

Council of State Vacancy Amendment

Another amendment moving through the General Assembly is [House Bill 443](#), known as the Council of State Vacancies Act. The proposal has passed the House but still awaits Senate consideration. The amendment would require governors filling vacancies in statewide offices to choose replacements from a list submitted by the departing officeholder's political party.

Right-to-Work Amendment Earlier in the Process

Republicans have also introduced [Senate Bill 1082](#), which would place North Carolina's right-to-work protections directly into the state constitution. The proposal remains earlier in the legislative process and has not yet cleared either chamber. North Carolina is already a right-to-work state under statute, but this would provide constitutional protection, offering longer-term certainty and reinforcing the state's business-friendly reputation.

Other Amendments Continue Moving

Several other Republican-backed amendments remain active but have not yet reached final legislative approval. [Senate Bill 1081](#) would establish a constitutional right to farm and forestry. [House Bill 144](#) would restructure the State Board of Education by replacing the governor-appointed board with members elected from legislatively drawn districts while making the superintendent of public instruction the board's chair.

Tracking Legislation of Interest

[SB 445](#) is an overarching regulatory reform bill, which includes notable housing-related provisions. These

[HB 1222](#) (companion SB 1079) Are local bills filed by Rep. Charlie Miller and Sen. Bill Rabon, which would

include allowing residential uses in many commercial, business, and industrial zoning districts. Historically, prohibitions on residential uses in these districts has played a major role in pushing housing options out of the most convenient and optimal placement for workers and contributed to sprawl and availability challenges. Another provision would allow accessory dwelling units by right in most all residential districts. The language of these provisions is still being finalized but generally speaking, they represent important wins for housing availability and attainability.

HB 1056 is a heavily sponsored proposal that would allow residential development in all commercial zones and ban minimum parking requirements, two zoning features that have directly inhibited the development of more affordable housing options. Their removal would just as directly remove barriers to developing this housing, which the state so desperately needs.

SB 889 Would cancel property revaluations for any county that preformed a revaluation this calendar year. This would only apply to 12 counties, some of which have already received an exemption. Onslow would

require development approvals in Brunswick County to be finally decided by a vote of County Commissioners. Currently many development decisions are delegated to the Planning Board, which is appointed by the Commissioners who still decide on appeals. This would reverse a 2019 session law that gave Commissioners the ability to delegate power to the Planning Board in the first place. While some degree of change on this front seems likely, whether by legislation or county action, the final contours of that change do matter since it could impact the broader review process and timeline. The bill quickly passed the House and is currently sitting in the Senate rules committee, which Rabon chairs.

HB 1119 is a local bill from Iredell County, giving a County Commissioners veto power over any annexation that could increase the public school student population beyond current capacity, unless the annexing city agrees to pay for school upgrades. In essence, the county could try to slow or stop home construction instead of owning up to its responsibility of improving schools. Regardless that the time to develop housing would provide ample lead time

be affected and as of this newsletter has not yet received an exemption (three counties have), yet Onslow revalues every four years to prevent spikes and remain more aligned with market values. The county has already communicated new values and set local budget on them. It remains to be seen if anything come of this legislation given a constitutional amendment for property tax limits is now set for this November's ballot.

for the county to ensure school capacity.

Any way you slice it, the logic of HB 1119 is a pretzel of confusion. Is it an attempt to throw more hurdles in front of housing? Is it a means of extortion to force a city to pay the county's school facility tab? Is it a way to double-tax one group of people so others can pay less? Whichever, it is certainly a dangerous precedent and directly opposed to both housing and education.

Lazzara and Sanderson Bill Would Expand Coastal Erosion Control Options

Legislation sponsored by Onslow County's Sen. Michael Lazzara and other coastal lawmakers (including Sen. Norman Sanderson, who represents Carteret County)

would [create a pathway](#) to circumvent North Carolina's long-standing prohibition on jetties and groins where justified for specific areas.



The bill would allow communities to pursue additional hardened shoreline structures, subject to review and approval by the Coastal Resources Commission. Supporters argue the change would provide local governments with more tools to stabilize inlets, reduce erosion, and protect coastal infrastructure.

The proposal comes as erosion concerns intensify along portions of the North Carolina coast, including several southeastern North Carolina beach communities and the Outer Banks. While North Carolina has historically favored expensive and on-going beach nourishment and other non-structural approaches, proponents argue the state's restrictions are among the most stringent in the nation and limit local options to address site-specific erosion challenges.

Coastal Resource Commission to Review Inlet Hazard Area Rules at Upcoming June Meeting



The Coastal Resources Commission (CRC) is expected to continue consideration of proposed inlet hazard area rule changes when it meets on [June 18](#) (Doubletree Riverfront in New Bern).

The regulatory **rule change** could affect development and buildability for coastal properties near **inlets** throughout Brunswick, New Hanover, Pender, Onslow, and Carteret counties.

Proposed changes would update how inlet hazard boundaries and setbacks are calculated, using newer erosion data, inlet-specific setback factors, and revised boundary methodologies for developed inlets. While the rulemaking effort is intended to better reflect current shoreline conditions, the practical significance is that hazard area boundaries directly influence where structures can be located and whether certain coastal parcels remain buildable.

The issue has been under review for nearly a year following concerns raised by property owners, local governments, and industry stakeholders regarding the potential impacts on existing lots, redevelopment rights, and future development opportunities. In response, CRC and its advisory bodies spent additional time refining the proposal and evaluating alternatives. The proposed rule would include **some reasonable grandfathering** for development rights, rebuilding, and construction of additional structures within certain parameters.

A fiscal analysis and formal public comment process are expected to follow. Given the potential implications for property rights and future coastal development, stakeholders should closely monitor the June meeting and the rulemaking process that follows.

BASE members with concerns or recommendations are encouraged to contact Jerod Patterson at jerod@ncbase.org and to participate in the formal public comment process as opportunities become available.

Brunswick County's Proposal to House Teachers in Apartments

Tell Me You Have an Affordability Problem Without Telling Me You Have an Affordability Problem

Brunswick County Schools is exploring an unusual solution to a growing challenge: building an apartment complex for teachers. County Commissioners recently voiced support for a proposal that would set aside 12 acres of county-owned land for approximately 24 below-market-rate apartments aimed at helping recruit and retain teachers who increasingly struggle to afford housing in one of North

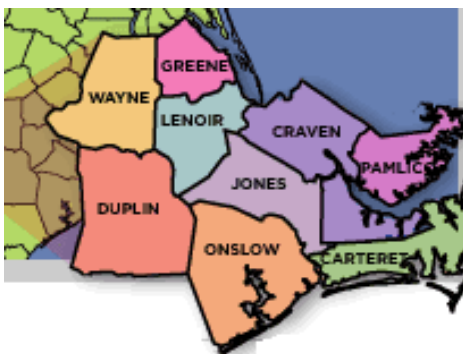


Carolina's fastest-growing counties. School leaders report that new teachers are often unable to find housing they can afford, contributing to recruitment and retention challenges. Average apartment rents in the county now exceed \$1,500 per month, while the proposed units would rent for roughly \$900.

The proposal is a clear signal of the housing affordability pressures facing Brunswick County. But it also raises a broader question: should government be in the business of building housing for workers, or should it focus on removing barriers that prevent the private sector from supplying the housing people need?

As Brunswick County continues its Unified Development Ordinance (UDO) update, policymakers have an opportunity to address the root cause of the problem. Removing barriers to developing a broader range of housing options—townhomes, duplex and triplexes, cottage courts, accessory dwelling units, and other attainable housing types—would increase supply and create more affordable choices not only for teachers, but also for nurses, first responders, service workers, and young families.

Rather than relying on government-sponsored housing projects, sensible land use policy reform can create a regulatory environment in which the private sector can deliver diverse housing at the scale and price points the market demands, while still balancing community concerns.



Eastern Carolina Council of Government in Limbo

The Eastern Carolina Council (ECC), the regional council of governments serving eastern North Carolina, is facing significant organizational and financial challenges as a growing number of local governments have withdrawn from the organization in recent years.

Among the most notable departures are **Carteret County, Onslow County, Pine Knoll Shores, Cape Carteret, and Cedar Point**, along with several other counties and municipalities across the region. Greene County, Lenoir County, Kinston, La Grange, and Craven County have also voted to leave or significantly reduce their participation.

The departures follow several years of organizational turbulence that ECC itself has acknowledged. In public statements, ECC cited ineffective administrative leadership, operational challenges, declining member confidence, and the

Land Use Planning Updates Across Brunswick County

Several major land use planning initiatives are moving forward across Brunswick County as local governments continue updating the policies and regulations that will shape future growth.

Brunswick County is nearing completion of its comprehensive rewrite of the Unified Development Ordinance (UDO), which will become the county's new **Land Development Ordinance**. The county recently launched a series of public meetings to share the proposed ordinance and gather community feedback ahead of anticipated consideration by the Board of Commissioners later this summer.

In **Leland**, work continues on the town's new **Unified Land Development Code** (LDC). Rather than drafting the document all at once, town staff are developing the code chapter-by-chapter, with new sections being reviewed monthly by the Planning Board and Town Council

need for substantial internal reforms. ECC leaders have emphasized that core services will continue uninterrupted, which include aging support services, regional transportation planning, and local government technical assistance.

ECC is now undertaking what it describes as a period of “rebuilding and renewal,” a euphemistic take on what might otherwise be viewed as organizational life support as departing members rely on in-house capacity and other alternatives for these services.

before being incorporated into the final document. Adoption is currently anticipated in 2027.

BASE is tracking the Leland process closely and distributes each draft chapter as it becomes available. If interested in joining the **monthly distribution list**, contact Jerod (jerod@ncbase.org).

Meanwhile, the Town of **Carolina Shores** recently approved its updated **Coastal Area Management Act (CAMA) Land Use Plan**.



BASE and Partner Associations in Action

BASE and its partner associations have been busy in Raleigh and Washington, D.C., this past month advocating for the region, housing, and economic development.

Natalie English and **Megan Mullins** from the **Greater Wilmington Chamber of Commerce**, along with Jerod on behalf of BASE, participated in the Annual **North Carolina Economic Summit**, organized by Sen. Thom Tillis and Rep. Richard Hudson. The summit featured most

of the state's congressional delegation and key administration staff along with several participants from throughout the state.

Both the **Wilmington Cape Fear Home Builders Association** and the **Greater Wilmington Chamber of Commerce** held their legislative days this past month, meeting with many of the region's legislators.

Brunswick, Carteret, Cape Fear, Jacksonville, and Topsail Island Realtors are preparing for legislative visits to Raleigh the first week of June.

Federal Housing Bill Returns to Senate After House Changes

Congressional efforts to advance bipartisan housing reform took another significant step forward on May 20, when the House passed a revised version of the **21st Century ROAD to Housing Act** by a 396-13 vote. The House changes primarily focused on softening several controversial Senate-added provisions targeting institutional investors and single-family rental ownership, including revisions to a divestiture requirement and implementation language that had generated concern among real estate and investment groups.



This House version earned unanimous support of North Carolina's delegation. Senators Tillis and Budd both had concerns with the Senate's previous version of the bill. Because the House amended the Senate version, the legislation now

returns to the Senate for concurrence, further amendments, or possible conference. President Trump has signaled support for the legislation but also pushed the institutional investment bans recently softened by the House.

The legislation began its journey in 2025 with the **Senate's ROAD to Housing Act**, followed this past February with the **House's Housing for the 21st Century Act**, both passing by wide margins and bipartisan support. The Senate synthesized the two bills in March by an 89-10 margin. By Washington standards, the legislation has enjoyed about as smooth a process as imaginable, reflecting growing consensus that housing affordability is a national priority, with supply constraints and development barriers among the causal factors.

Provisions in the bill include streamlining federal permitting and environmental review, encouraging pro-housing land use policies through federal incentives, expanding housing financing flexibility, supporting workforce and missing-middle housing, and better aligning housing, infrastructure, and economic development policy. Notably absent is any major attempt at zoning reform, which has proven the chief driver of housing shortages over the past century.

Key Takeaways from the Federal Housing Legislation Moving Through Congress

The 21st Century ROAD to Housing Act currently advancing through Congress reflects a growing recognition that America's housing affordability challenges are fundamentally tied to supply constraints, rising development costs, and barriers to new construction.

Importantly, however, the legislation stops short of meaningful zoning reform, despite local land-use restrictions remaining the single greatest driver of housing shortages and market misalignment over the past

century. Because zoning authority largely rests with states and local governments, the bill instead relies heavily on incentives, financing tools, regulatory streamlining, and coordination efforts designed to encourage more housing production. Here are the major themes from the current version of the legislation:

Streamlining Federal Permitting & Regulation

The legislation seeks to streamline federal permitting and environmental review processes that often delay housing projects and increase development costs. It also attempts to reduce delays tied to federal approvals, infrastructure coordination, and overlapping regulatory requirements while modernizing outdated federal housing rules that add friction to project delivery.

Incentivizing Pro-Housing Local Policies

While major zoning reform remains largely absent from the legislation, the bill uses federal incentives to encourage local governments to modernize zoning, permitting, and land-use frameworks. Certain grants and funding opportunities would increasingly reward measurable housing production outcomes, faster approvals, and more housing-friendly development policies, while also promoting model land-use practices and standardized reporting.

Expanding Financing & Development Capacity

The package expands financing tools for housing and related infrastructure while increasing flexibility within HUD and HOME programs. It also encourages adaptive reuse and redevelopment of underutilized properties in an effort to improve the financial viability of workforce and attainable housing projects facing rising construction and infrastructure costs.

Supporting More Housing Types & Construction Methods

The legislation expands support for manufactured and modular housing while encouraging “missing middle” housing formats such as duplexes, townhomes, and incremental infill development. It also facilitates redevelopment of vacant and underutilized sites in order to increase density, lower per-unit costs, and broaden housing options in constrained markets.

Improving Coordination, Data & Accountability

The bill standardizes portions of federal housing-related data collection and reporting while improving coordination between housing, infrastructure, transportation, and economic development agencies. It also establishes clearer housing production benchmarks and tracking mechanisms intended to better align funding and policy decisions around measurable housing supply outcomes.

A note to members...

Thank you for your continued partnership with BASE, the only organization in southeastern North Carolina solely devoted to advocating for public policies that support and sustain good growth and economic vitality.



This is a critical moment in the growth arc of southeastern North Carolina and the work of BASE has never been more important. Our mission is not only to advocate for economically sound policy solutions—from the courthouse to the state house, and from city halls to the nation’s capitol—but also to educate and inform the public on the vital importance of growth and development to this region’s future prosperity and quality of life.

This is our time to contribute mightily to shaping a better and more prosperous future for southeastern North Carolina and for the industries driving it forward. Help expand our ranks and grow our coalition by recruiting others to join BASE. Together, we can and will keep this region's economic engine roaring and ensure that its best days are yet to come.

-Jerod Patterson, CEO