

Item Title: Public Hearing on Proposed Ordinance Amendment OA-02-25 to Amend the Wake County UDO Overnight Accommodations Regulations

Specific Action Requested:

That the Board of Commissioners holds a public hearing on Wake County Unified Development Ordinance Amendment OA-02-25, and places the item on the April 21, 2025, Board of Commissioners agenda for consideration of adoption.

Item Summary:

Purpose: In accordance with N.C. General Statute, the Board of Commissioners must approve amendments to the Wake County Unified Development Ordinance (UDO).

Background: This proposed amendment to the Wake County UDO is initiated by staff. The amendment reflects changes to Wake County's standards that regulate temporary overnight accommodations in residential dwellings (bed and breakfast/vacation rentals). The proposed amendment removes outdated requirements while aligning with national online platforms that manage short-term vacation rentals. The proposed amendment does not impact any existing bed and breakfast or short-term rental use.

The Planning Board recommended, by unanimous vote, that the Board of Commissioners adopt the amendment request. County staff concurs with this recommendation.

Strategic Plan: This action aligns with the Board of Commissioners' land use regulatory authority under North Carolina General Statutes and does not relate to a specific Strategic Plan goal or initiative.

Fiscal Impact: This item has no fiscal impact.

Additional Information:

Background

The Wake County UDO provides standards and regulations for temporary overnight accommodations in single family dwellings. The use is characterized and regulated in two ways: 1) as a traditional bed and breakfast establishment, typically in a historic structure that offers multiple rooms for overnight accommodation by separate parties with incidental services that may include meals offered to overnight guests.; and 2) as a temporary vacation rental offered through an online platform like Airbnb or VRBO, often called short-term rentals.

These establishments are commercial uses typically located in a residential setting. It's because of this that the property must fit-in with the residential character of the

surrounding neighborhood. The UDO's standards and regulations for these types of uses require that the exterior appearance not be altered from its residential character, while also addressing a variety of requirements such as maximum number of overnight stays, the operator must live on site, and the provision of meals and cooking facilities.

The standards for both scenarios have been in place since adoption of the UDO in 2006.

Analysis

The demand for temporary overnight accommodations (short-term rentals) continues to increase nationwide. Pair this with the fact that many folks are seeking supplemental income, the result is increased interest in converting traditional single-family dwellings into a bed and breakfast or short-term rental establishment.

Recognizing this trend, staff reviewed the UDO standards and propose to make several amendments that align with market trends and online platforms that offer these types of accommodations.

The UDO's standards for a traditional bed and breakfast are outlined in Section 4-30 *Bed and Breakfast Residence*. Current standards require the dwelling be listed on the National Register of Historic Places and a minimum of 3,500 square feet. Staff is proposing to remove these two requirements as there are many examples of successful bed and breakfast establishments that don't fit this criterion.

The UDO's standards for short-term rentals are outlined in Section 4-74 *Bed and Breakfast Homestays*. Staff is proposing to align the standards in this section with online platforms like Airbnb or VRBO, often called short-term rentals. This includes changing the section name to "Short-Term Rentals", increase the maximum stay from 7 consecutive days to 30, and remove the requirement that the operator live on site.

A special use permit from the Board of Adjustment (BOA) is currently required for both scenarios (Bed and Breakfast Residence and Short-Term Rental). This requirement will remain in place. This process insures both types of uses are in harmony with the surrounding neighborhood when a permit is granted by the BOA.

The proposed amendments do not impact any existing bed and breakfast or short-term rental uses.

Overview of Changes

1. *Bed and Breakfast Residence*: Eliminate the requirement that the dwelling be listed on the National Register of Historic Places and a minimum of 3,500 square feet.
2. *Short-Term Rentals*: Change the title of UDO Section 4-74 from "Bed and Breakfast Homestays" to "Short-Term Rentals", increase the maximum stay from 7 consecutive days to 30 days, and remove the requirement that the operator live on site.

Staff Findings

The proposed amendment:

1. Removes development requirements that are outdated and unnecessary.
2. Increases opportunities for supplemental income in the short-term rental market.
3. Aligns UDO use standards with national online platforms that manage short-term rentals.

Recommendations:

Planning Staff: Staff recommends approval of the proposed text amendment as presented.

Planning Board: The Planning Board recommended, by a unanimous vote at their March 5, 2025, meeting, that the Board of Commissioners finds that the proposed text amendment OA-01-25 is consistent with the Comprehensive Plan and Unified Development Ordinance, is reasonable and in the public interest, and approves the amendment as presented.

Attachments:

1. Presentation
2. Staff Report
3. Planning Board Minutes
4. Text Amendment