

Item Title: Proposed Ordinance Amendment OA-02-25 to Amend the Wake County Unified Development Ordinance

Specific Action Requested:
That the Board of Commissioners:

1. **Adopts the draft statement finding that Ordinance Amendment OA-02-25 is consistent with the Wake County Comprehensive Plan and Wake County Unified Development Ordinance and is reasonable and in the public interest; and adopts the attached resolution;**

and by a separate motion,

2. **Adopts the attached resolution to approve the proposed amendment to the Wake County Unified Development Ordinance as presented in Ordinance Amendment OA-02-25.**

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 The proposed amendment removes outdated requirements while aligning with national online platforms that manage short-term vacation rentals.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

On April 7, 2025, the Wake County Board of Commissioners held a public hearing on this proposed text amendment. The County also issued a press release on April 7th

announcing the proposed text change and inviting residents to provide feedback. Any resident feedback received will be presented at the Board meeting on April 21st.

Wake County currently allows both uses (B&Bs, and Short-Term Rentals) in residential zoning districts. What is proposed are slight changes to the current standards. The number of permits the County has issued over the past several years for these types of uses is very few. There are less than five. However, there are likely some existing establishments that have neglected to obtain the proper permits. These are only discovered when the County receives a zoning complaint. In part, this is what has prompted the proposed amendment. Staff have encountered several situations where the property owner failed to get their permit, only to discover the owner does not live on site, which does not comply with our current regulations.

There are concerns among some in the housing industry that these types of uses may exacerbate issues with affordable housing in certain situations. In a sense, taking what could be affordable housing off the market. However, studies have shown that short-term rentals are not a contributor to high rents/housing cost, especially when it comes to the most vulnerable residents in our community. Furthermore, the demand for temporary overnight accommodations (short-term rentals) continues to increase nationwide. However, there are two key factors with this: 1) the supply of short-term rentals is slowing, which is attributed to high interest rates, increasing home prices, and tighter local regulations; and 2) the focus for demand is shifting toward more luxury or unique type rentals, specifically in tourist destinations.

Locally, several jurisdictions, like Wake County, regulate these types of uses. The City of Raleigh is a good example. However, others choose not to provide any regulations for this type of use.

Planning staff consulted with staff from Wake County Housing about the proposed amendments. They do not see this as concerning, and any impact would be negligible on affordability. They do advise monitoring it.

Analysis

The standards and regulations for temporary overnight accommodations in single family dwellings 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.

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. However, it would resolve several non-compliant establishments that are already in place.

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.
4. Short-term rentals are not a contributor to high rents/housing cost given the few numbers of establishments in county unincorporated area., especially when it comes to the most vulnerable residents in our community.

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. Statement of Consistency Resolution
5. Ordinance Amendment Resolution
6. Motions Page
7. Text Amendment