



Agenda Abstract

PLANNING BOARD

Meeting Date: May 16, 2024
Department: Planning and Economic Development Division
Agenda Section: Planning Board Recommendations
Public hearing: Yes
Date of public hearing: April 18, 2024

PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II
Shannan Campbell, Planning and Economic Development Manager

ITEM TO BE CONSIDERED

Subject: Unified Development Ordinance (UDO) text amendment (staff initiated):

- Table 5.1.7 *Use Table for Residential Districts*
- Section 5.2.8.1 – 5.2.8.2 *Dwelling, Accessory*
- Section 5.2.18.1 *Home Occupation*
- Section 5.2.39.1 *Planned Development – Standards of Evaluation*
- Section 5.2.46 *Short-Term Rental* (new section)
- Section 9.1.5.2 *Permissible Encroachment into Required Setbacks*
- Section 9.2 *Definitions*

Attachments:

1. Draft UDO text amendment, *including* new short-term rental regulations (version 1)
2. Draft UDO text amendment, *excluding* new short-term rental regulations (version 2)
3. Planning Board consistency statement

Summary:

- Accessory Dwelling Units (ADUs):
The UDO currently caps the size of accessory dwelling units (ADUs) at 50% of the primary dwelling's heated living area *or* 800 square feet, whichever is less. This creates a "small house penalty." In other words, the regulation works well for larger primary homes but is less accommodating to smaller ones as shown below:

Examples of Maximum ADU Sizes (Current UDO)	
Primary Dwelling Size	Max. ADU Size
1,000 sq. ft.	500 sq. ft.
1,200 sq. ft.	600 sq. ft.
1,500 sq. ft.	750 sq. ft.
2,000 sq. ft.	800 sq. ft.
2,500 sq. ft.	800 sq. ft.

This amendment proposes changes to ADU regulations to create more flexibility for smaller primary homes. It follows recommended practices from AARP, the American Planning Association, and the Land of Sky Regional Council.

- Home Occupations and Short-Term Rentals:

The amendment also includes changes to home occupation regulations and new regulations on short-term rentals. The revisions put the standards for ADUs, home occupations, and short-term rentals into alignment. Staff believes this is important given the link between the three land uses; home occupations are allowed in ADUs, and residents often seek to use their ADUs as short-term rentals.

The amendment does not allow short-term rentals in the multi-family (MF) district, the mobile home park (MHP) district, or residential special use districts¹. However, the board may wish to discuss allowing short-term rentals in those districts as well.

- Correction to Planned Development Standards of Evaluation:

The Planning Manager recently discovered a scrivener error in the UDO. Specifically, UDO Section 5.2.39.1 *Planned Development – Standards of Evaluation* sets a residential density maximum of 13 persons per acre. When the Board of Commissioners adopted the regulations on planned developments in October 2022, the residential density maximum was not part of the adopted amendment. This error is corrected here.

Comprehensive Sustainability Plan goals:

- Land Use and Development Goal 1:

Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.

- Strategy:

Ensure that land use and redevelopment regulations are aligned with preferred future land use and growth patterns.

Financial impacts:

None.

Staff comments and recommendation:

At the public hearing on April 18th, Dani Black, the lodging industry representative for the Tourism Development Authority (TDA), offered public comment on the proposed short-term rental regulations. She stated that she felt the proposed short-term rental regulations were not specific enough. She also said she thought short-term rental regulations should be considered as a stand-alone text amendment.

Planning staff added the short-term rental regulations to this text amendment in January at the TDA's request. If the TDA is not satisfied with the language, Planning staff is amenable to removing short-term rental regulations from the current amendment. The topic of short-term rentals can be revisited later as its own amendment.

Staff recommends approval of the text amendment without short-term rental regulations (version 2).

Action requested on this item:

Make one of the following recommendations to the Board of Commissioners:

- Approve;
- Approve with conditions; or
- Deny

¹ Effective July 1, 2021, special use zoning districts are no longer allowed in North Carolina. These special use zoning districts existed before that date and are now considered conditional zoning districts per the North Carolina General Statutes.