

ORDINANCE NO. _____ - 2024

AN ORDINANCE AMENDING ARTICLES 3-13(b), (c), (g), (i), AND (j), CREATING ARTICLES 3-13(k), (l), (m)(1),(2), AND (3), AMENDING ARTICLES 8-5(c)(11), 8-5(d)(14), 8-9(c)(10), 8-10(c)(10), 23A-5(c)(9), 23A-5(d)(10), 8-25(d)(7), AND 8-25(e)(15), AND DELETING ARTICLE 8-5(d)(15), IN ORDER TO: REVISE THE ALLOWABLE OCCUPANCY FOR ALL SHORT TERM RENTALS; RESTRICT THE NUMBER OF DWELLING UNITS ALLOWED AS SHORT TERM RENTALS IN RESIDENTIAL ZONES; FURTHER DEFINE CONDITIONS APPLICABLE FOR SHORT TERM RENTALS REGULATED AS CONDITIONAL USES; AND ALLOW SHORT TERM RENTALS AS AN ACCESSORY USE AND CONDITIONAL USE IN CORRIDOR NODE ZONES, WITH AN EFFECTIVE DATE OF DECEMBER 12, OR THE DATE OF PASSAGE, WHICHEVER IS LATER. (URBAN COUNTY COUNCIL).

WHEREAS, the Lexington-Fayette Urban County Planning Commission considered at a meeting on November 14, 2024, amendments to the text of Articles 3-13(b), (c), (g), (i), and (j), additional text proposed as Articles 3-13(k), (l), (m)(1),(2), and (3), amendments to Articles 8-5(c)(11), 8-5(d)(14),(15), 8-9(c)(10), 8-10(c)(10), 23A-5(c)(9), 23A-5(d)(10), 8-25(d)(7), and 8-25(e)(15), to further regulate Short Term Rentals in the residential, business, mixed use and industrial zones. The Planning Commission did recommend approval of the modified text amendment by a vote of 5-2; and

WHEREAS, this Council agrees with the recommendation of the Planning Commission; and

WHEREAS, the recommendation of the Planning Commission is attached hereto and incorporated by reference herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That Article 3-13(b) of the Lexington-Fayette Urban County Government Zoning Ordinance shall be amended to provide as follows:

(b) Except as limited by subsections (k) and (l), the number of Dwelling Units allowed to be utilized as Short Term Rentals per Property:

Zones Allowed	Hosted (Occupancy up to 10)	Hosted (Occupancy >10)	Un-Hosted	# of Dwellings on Property allowed as Short Term Rental Units
Single Family Lots ¹				
R-1A, R-1B, R-1C, R-1D, R-1E, R-1T, R-2, R-3, R-4, R-5, EAR-1, EAR-2, EAR-3,	Accessory Use	Conditional Use	Conditional Use	1 dwelling unit or 1 ADU
Multi-Family and Group Residential Lots ²				

R-1T, R-2, R-3, R-4, R-5, EAR-1, EAR-2, EAR-3, CN,	Accessory Use	Conditional Use	Conditional Use	10% max or 1, whichever is greater
B-1, P-1, MU-1, MU-2, MU-3	Accessory Use	Accessory Use	Principal Use	25% max. or 1, whichever is greater
B-2, B-2A, B-2B, B-4*, I-1*, I-2*, CC, B-6P, MU-3*	Principal Use	Principal Use	Principal Use	No max.

¹ Single Family Lots may include either a detached dwelling unit or a subdivided attached dwelling unit as a principal structure.

² Multi-Family and Group Residential Lots may include condominiums and attached single family dwelling units on one lot.

*When part of an Adaptive Reuse Project, Industrial Reuse Project, or Entertainment Mixed Use Project.

Section 2 – That Article 3-13(c) of the Lexington-Fayette Urban County Government Zoning Ordinance shall be amended to provide as follows:

- (c) Maximum Occupancy Limit (for principal and accessory uses): A maximum of two (2) individuals per bedroom, plus an additional two (2) individuals; or a total of 10 individuals, whichever is less. Any host or other permanent residents of the dwelling unit present during the short-term rental period shall count toward the maximum occupancy. Occupancy for accessory dwelling units used as short-term rentals shall be in accordance with Section 3-12(m).

Section 3 – That Article 3-13(g) of the Lexington-Fayette Urban County Government Zoning Ordinance shall be amended to provide as follows:

- (g) For Short Term Rentals regulated as conditional uses, the Board of Adjustment shall take into consideration:
 1. The demonstrated compliance record of the applicant, if they operate other STRs in Lexington.
 2. Whether the property being considered is located in close proximity to the downtown core, or other mixed-use or entertainment uses.
 3. Whether other STRs in the general vicinity have been cited as a nuisance, including those operated by the applicant.
 4. Whether the property being considered is located within a neighborhood that may be vulnerable to involuntary displacement based upon socio-economic demographics.

Section 4 – That Article 3-13(i) of the Lexington-Fayette Urban County Government Zoning Ordinance shall be amended to provide as follows:

- (i) Any Short Term Rental operating in a principal dwelling unit prior to July 11, 2023, that would hereafter be regulated as a conditional use shall be allowed to continue its operation per Article 4-7, but shall utilize the new regulations provided in Sections (a), (c), (e), (f), and (h) above. Such uses shall obtain the license required above from the Division of Revenue no later than January 11, 2024 and be subject to the regulations of Section 13 of the Code of Ordinances. A change in ownership shall require a conditional use permit to be approved by the Board of Adjustment.

Section 5 – That Article 3-13(j) of the Lexington-Fayette Urban County Government Zoning Ordinance shall be amended to provide as follows:

- (j) Any Short Term Rental operating in a principal dwelling unit prior to July 11,

2023 that is located in a zone that would hereafter prohibit Short Term Rentals shall be allowed to continue its operation as a non-conforming use per Article 4-3, and shall continue to operate in accordance with the definition of a dwelling unit occupied by one family or housekeeping unit, having no more than one rental contract per week, for a total of no more than 52 rentals per year and with an occupancy of no more than 4 unrelated individuals. Such uses shall obtain the license required above from the Division of Revenue no later than January 11, 2024 and be subject to the regulations of Section 13 of the Code of Ordinances.

Section 6 – That Article 3-13 of the Lexington-Fayette Urban County Government Zoning Ordinance shall be amended to add sections (k), (l), (m)(1),(2), and (3):

- (k) No Short Term Rental regulated as a conditional use shall be located within six hundred (600) feet of another Short Term Rental that has either received a Conditional Use Permit from the Board or is otherwise a legal non-conforming use pursuant to Section (i), above.
- (l) The number of Short Term Rentals regulated as a conditional use shall not exceed two percent (2%) of all dwelling units within one thousand (1,000) feet in residential zones.
- (m) Relief from Sections (k) and (l) may be obtained from the Board of Adjustment on a case-by-case basis, provided the applicant demonstrates that the proposal would not contribute to an overconcentration of Un-Hosted Short Term Rentals in the immediate area and/or adversely affect the housing stock in the immediate area. In approving this relief, the Board must find the request is appropriate for at least one of the following reasons:
 - (1) The property is adjacent to nonresidential zones that allow Short Term Rentals as a principal or accessory use;
 - (2) There is a significant environmental feature or minor arterial or higher classification road that separates the proposed Short Term Rental from other Un-Hosted Short Term Rentals within the buffer area;
 - (3) An Un-Hosted Short Term Rental within the buffer area is located on the perimeter of the buffer area, with part of the property being located outside of the buffer area.

Section 7 – That Article 8-5(c)(11) of the Lexington-Fayette-Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 8-5. Single-Family Residential (R-1A) Zone.

- (c) Accessory Uses. (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)
 - 11. Hosted Short Term Rentals for 10 or fewer occupants, as regulated in Article 3-13 of the Zoning Ordinance.

Section 8 – That Article 8-5(d)(14) of the Lexington-Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 8-5. Single-Family Residential (R-1A) Zone.

- (d) Conditional Uses. (Permitted only with Board of Adjustment approval.)
 - 14. Un-Hosted Short Term Rentals and Hosted Short Term Rentals for more than

10 occupants, as regulated by Article 3-13 of the Zoning Ordinance.

Section 9 – That Article 8-5(d)(15) of the Lexington-Fayette Urban County Government Zoning Ordinance is hereby deleted.

Section 10 – That Article 8-9(c)(10) of the Lexington-Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 8-9. Single-Residential (R-1E) Zone.

(c) Accessory Uses. (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

10. Hosted Short Term Rentals for 10 or fewer occupants, as regulated in Article 3-13 of the Zoning Ordinance.

Section 11 – That Article 8-10(c)(10) of the Lexington-Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 8-10. Townhouse Residential (R-1T) Zone.

(c) Accessory Uses. (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

10. Hosted Short Term Rentals for 10 or fewer occupants, as regulated in Article 3-13 of the Zoning Ordinance.

Section 12 – That Article 23A-5(c)(9) of the Lexington-Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 23A-5. Expansion Area Residential 1 (EAR-1) Zone.

(c) Accessory Uses. (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

9. Hosted Short Term Rentals for 10 or fewer occupants, as regulated in Article 3-13 of the Zoning Ordinance.

Section 13 – That Article 23A-5(d)(10) of the Lexington-Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 23A-5. Expansion Area Residential 1 (EAR-1) Zone.

(d) Conditional Uses. (Permitted only with Board of Adjustment approval.)

10. Un-Hosted Short Term Rentals and Hosted Short Term Rentals for more than 10 occupants, as regulated in Article 3-13 of the Zoning Ordinance.

Section 14 – That Article 8-25(d)(7) of the Lexington Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 8-25 Corridor Node (CN) Zone.

(d) Accessory Uses. (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

7. Hosted Short Term Rentals for 10 or fewer occupants, as regulated in Article 3-13 of the Zoning Ordinance.

Section 15 – That Article 8-25(e)(15) of the Lexington Fayette Urban County Government Zoning Ordinance is hereby amended as follows:

Sec. 8-25 Corridor Node (CN) Zone.

(e) Conditional Uses. (Permitted only with Board of Adjustment approval.)

15. Un-hosted Short Term Rentals and Hosted Short Term Rentals for greater than 10 occupants as regulated in Article 3-13 of the Zoning Ordinance.

Section 16 – That this Ordinance shall become effective on December 12, 2024, or the date of passage, whichever occurs later.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL
PUBLISHED:

1210-24:BGS:4860-6038-2968, v. 1