

**C. PUBLIC HEARINGS ON ZONING ORDINANCE TEXT AMEMENDMENTS**

1. **PLN-ZOTA-24-00009: REGULATING SHORT TERM RENTALS WITHIN THE AGRICULTURAL ZONES** – a text amendment to update Articles 3 and 8 to regulate short-term rentals within the agricultural zones

INITIATED BY:URBAN COUNTY COUNCIL  
PROPOSED TEXT: Copies are available from the staff.

The Zoning Committee Recommended: Referral to the Planning Commission.

The Staff Recommends: Approval of the Staff Alternative Text, for the following reasons:

1. The proposed text amendment with staff alternative text allows for short term rental uses within the agricultural zones while also including safeguards against overconcentration and clustering, thus protecting the valuable agricultural nature of Fayette County’s Rural Service Area.
2. The proposed text amendment with staff alternative text provides enforceable limitations on hosted and un-hosted short term rentals in order to prevent adverse impacts on the health, safety, and welfare of the local community and visitors to the agricultural zones.
3. The request allows for reasonable utilization of existing residential uses, while also safeguarding rural land (Theme E, Goal #1.C).

Staff Presentation – Mr. Daniel Crum presented the staff report and proposed text amendment. Mr. Crum gave a brief overview of the existing regulations with short-term rentals in the A-R zone noting that they are currently not permitted and stated that the Rural Land Management Board had generated a report on their recommendations from over the past year. Those recommendations were largely incorporated into the council-initiated text, with the exception of un-hosted short term rentals having a pathway forward in certain contexts within the A-R zone.

Mr. Crum gave a very quick overview of the Council initiated text stating that it allowed for hosted and un-hosted short terms rentals as a conditional use, and allowed for a maximum occupancy of two individuals per bedroom. Additionally, there can only be one short-term rental per property, with un-hosted short term rentals limited to parcels less than 10 acres in size and a 500 foot spacing requirement. Hosted sites would have a larger one mile spacing requirement, and could utilize an existing farm employee dwelling unit. No new farm employee units could be constructed for future short term rental use.

Mr. Crum also noted that the Council initiated text provided criteria for the Board of Adjustment to consider for both hosted and un-hosted short term rentals. Those criteria included health department evaluation of septic systems, finding that the use would not have an adverse impact on agricultural uses, parking, fire safety measures and consideration of the number of short term rentals within a mile.

Mr. Crum presented the staff alternative text changes. He stated that Staff had taken out the language about prohibiting future farm employee dwelling units being used as a hosted short term rental. In Staff’s assessment, if a dwelling unit has been approved by the Board of Adjustment, it did not matter when the dwelling unit was built as long as it was still meeting the agricultural purpose of the property. Mr. Crum continued, presenting a table of what zones could be used for a short term rental in agricultural areas and noted the differences between what was allowed in the A-R zone and what was allowed in the A-N and A-B zones. Mr. Crum indicated that Staff recommended un-hosted short term rentals be prohibited in the A-N and A-B zones as they could not meet the lot and size requirement. Additionally, Mr. Crum stated that Staff had inserted a note that A-N and A-B zones might be subject to other restrictions due to PDR regulations and rules that would impact the ability to use a short term rental. Mr. Crum noted that most of the Staff changes after this were about clarity and consistency and ensuring the language was not duplicative.

Mr. Crum indicated that other Staff changes included eliminating differing occupancy limits relative to the urbanized rentals, elimination of un-hosted separation distances, and clarification and consistency edits. Mr. Crum also displayed a map of the parcels in the agricultural zones that are less

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than 10-acres that would be allowed to request an un-hosted short term and noted the significant amount of land where having a short term rental would not be possible.

Mr. Crum concluded by stating that Staff is recommending approval of the Staff Alternative Language and could answer any questions from the Planning Commission.

Commission Questions and Comments – Ms. Worth asked if a short term rental applicant could build an attached or detached accessory dwelling unit under this language. Mr. Crum indicated that an ADU was not allowed in the agricultural zones and a farm employee dwelling unit was a separate type of dwelling unit.

Mr. Penn stated that farm employee dwelling unit construction is so different between farms that it is a case-by-case basis and that building a house just for short term rental use would take them a long time to pay off. Mr. Penn also stated that it won't be long until the Planning Commission would have to amend this because of agricultural tourism and people wanting to have a farm experience in central Kentucky is in high demand.

Mr. Zach Davis stated that in the text it says that the entrance would need to be lit and have adequate parking. Mr. Davis asked which entrance, and which roadway would need to be lit. Mr. Crum indicated that the intent behind that language was external and dealing with people who might be looking for their short-term rental on a country road that they are not familiar with.

Mr. Michler asked if it made sense to require some sort of entrance plan as part of the application process, because of his concern with lighting and the night sky ordinance that was just passed.

Mr. Wilson asked about the definition of short-term rentals and not being longer than 30 days at a time. Mr. Wilson asked if it was possible for someone to leave at 29 days and come back a few days later over and over again and what could be done about that. Mr. Crum indicated that it was possible and there was not a limit.

Public Comment – Margaret Graves, Rural Land Management Board, gave a brief explanation of the RLMB's thinking about un-hosted short-term rentals in the A-R zone. Ms. Graves stated that their concern came from people staying in short term rentals that were not familiar with the area, not having any guidance on how to interact with agricultural uses. Additionally, Ms. Graves indicated they included a date in the language about future farm employee dwelling units because they did not want to encourage building of homes not for farm employees. In conclusion, Ms. Graves noted the compromise that went into their findings and stated that they would like to be included on short term rentals in the agricultural zones going forward.

Joan Gariboldi, shared her experience finding out that her short term rental in the agricultural zone was not registered and stated that she felt like she was told different explanations from different parties. She ended by asking there be a portal for people who were unregistered but operating under the new rules to allow their businesses to continue.

Carmen von Unrug, shared a similar experience with Ms. Gariboldi and stated that she felt the Planning Commission was making it more difficult for small farmers to make money.

Gill Dunn, stated he thought the some of the regulations particularly, the 30 day limit seemed arbitrary and stated that short term rental owners want some kind of explanation or consistency when it comes to the new regulations.

Staff Rebuttal – Mr. Crum stated that the 30 day limit that Mr. Dunn mentioned was working from an existing framework and had been on the books for a while.

Commission Questions and Comments – Mr. Penn stated that the comments and discussion here are going to help the Board of Adjustment determine if a particular property is an appropriate place to have a short term rental. Mr. Penn concluded by stating that it would not be long until the federal government will ease the restrictions and the PDR board will have to be the arbitrator of whether the deed restrictions and easements will be allowed or not.

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Mr. Owens stated that conditional use applications are subject to inspection and asked if someone would be inspecting if there was adequate fire safety measures in the short term rentals. Ms. Wade indicated that they do not have an inspector that goes in to check, the applicant signs an affidavit that says they have all the necessary safety precautions, unless it is a condition of approval. In that case a zoning enforcement officer will look for that.

Mr. Owens asked what the occupancy for an un-hosted and hosted short term rentals on the books right now. Mr. Crum stated that the current threshold was 10 people but that the threshold did not really matter because this would allow for a conditional use regardless if it was one person or ten. Mr. Owens stated he would like the 10 person threshold be added to this text.

Mr. Owens also stated that he would like to change the language for the buffer between un-hosted short term rentals to also be one mile, the same as the hosted short term rentals.

Public Rebuttal – Carmen von Unrug stated that she did not think it was fair to force people who have bed and breakfasts to reapply under a short term rental when they have already gone through the process before and recommended keeping the accessory use for two or less boarders for these properties.

Commission Questions and Comments – Mr. Davis stated that at the time of the Zoning Committee there was a discussion about the boarders and wanted to discuss it further. Ms. Wade indicated the language had been in the ordinance for decades and that had been used as a loophole for bed and breakfasts to operate, however that changes the minute you post your listing onto a short term rental site like airBnB. At that point the Granicus system catches it as an advertised short term rental and the operator is required to get a license. Ms. Wade stated she realized it made some problems for those here today, but the Department of Law suggested the boarders language should be removed and then everyone who has been using the loophole has to register.

Ms. Worth stated that once someone gets a bad review of their short term rental, it impacts the property but the ordinance is about the people that are in close proximity to it and that there is a difference there. If a review is bad, that information would not necessarily reach the neighbors and that part of this has to do with the context of the area.

Public Rebuttal – Joan Gariboldi, stated that she thought this was overregulation of what someone can do with their own property and that their neighbors do not have any problem with how they use the property.

Commission Questions and Comments – Mr. Owens stated that he did not know that a transient room tax was being collected and sent to the City. He thought the residents should have been getting a letter to register as opposed to a cease and desist letter. Mr. James Duncan stated that the City was collecting revenue from the platforms and not the specific properties.

Action – A motion was made by Owens and seconded by Ms. Worth and carried 8-0 (J. Davis, Nicol, and Pohl absent) to approve PLN-ZOTA-24-00009: REGULATING SHORT TERM RENTALS WITHIN THE AGRICULTURAL ZONES with the Staff alternative text adding a one mile buffer to the A-B and A-N zones.