

SHORT TERM RENTALS

REVIEW OF PROPOSED ORDINANCES

Planning & Public Safety Committee
November 29, 2022



LEXINGTON



Timeline

- **June 11, 2019:**
 - Short Term Rentals (STR) item placed in Planning & Public Safety Committee
- **February 18, 2020:**
 - Committee amended draft ordinance for STR and referred to full Council
- **March 10, 2020:**
 - Following further amendments, ordinance was approved in Work Session
- **March 17, 2020:**
 - Ordinance scheduled to receive first reading; however due to the coronavirus pandemic and the impending government shutdown, the item was tabled pending the return to in-person meetings
- **March 2022:**
 - Workgroup led by Councilmember James Brown and Councilmember Sheehan began meeting to resume these efforts



Workgroup

- James Brown, 1st District Council Member
- Liz Sheehan, 5th District Council Member
- Evan Thompson, Law Department
- Wes Holbrook, Division of Revenue
- Josh Hammond, Division of Revenue
- James Duncan, Division of Planning
- Chris Woodall, Division of Planning
- Chris Taylor, Division of Planning
- Autumn Goderwis, Division of Planning
- Kendra Thompson, Research Analyst
- Layton Garlington, 5th District Legislative Aide
- Sharon Murphy, 1st District Legislative Aide



Workgroup

- The Workgroup brought together:
 - Local operators of STRs
 - Representatives from neighborhoods with a concentration of STRs
- 12 meetings held between March 2022 and November 2022
- Throughout this process, we had open dialogue which allowed staff to develop regulatory options that we hope will support responsible STR operators in Lexington, while addressing the concerns of neighborhoods



Initial Draft Proposal

- The purpose of this regulation change is to establish Short Term Rentals as a legal use and define a process for approval and enforcement.
- Four Key Areas of the Proposal:
 - Fee Structure
 - Licensing
 - Enforcement and Appeals
 - Zoning Regulations
- Any STR regulations must be addressed in the Code of Ordinances AND Zoning Ordinance:
 - Amendments to Section 13 of the Code of Ordinances
 - Amendments to the Zoning Ordinance



Amendments to Code of Ordinances

Amendments to Section 13

- Definitions (Sec. 13-76)
- Process for obtaining a Special Fee License
 - Fee Structure (\$200/\$100)
 - Required information for application
- Special Fee License Enforcement
 - Revocation of Special Fee License for violations
 - Administrative Hearing Board subpoena authority if necessary
 - Penalty Structure
 - Appeals Process
- Transient Room Taxes and Occupational License Fees
- Creation of Short Term Rental “Duties of a Licensee”
- Establishment of licensee requirements for online advertising



Amendments to Zoning Ordinance

- Definitions (Sec. 1-11)
- General regulations outlining the number of allowable STR units based on zoning category
- Two Classifications of STR
 - Hosted – accessory use
 - Un-Hosted – conditional use permit from BOA
 - Allowed as accessory use in Business Zones that allow dwelling units and hotels
- Additional Regulations Include:
 - Maximum Occupancy
 - Requirements for STR in detached ADU
 - Prohibition on STR being used for private or commercial special events
 - BOA Guidance for consideration of Conditional Use



Amendments to Zoning Ordinance

Allowable Zones

| Zones Allowed | Hosted | Un-Hosted | # of Short Term Rental Units |
|--|---------------|-----------------|--|
| R-1A, R-1B, R-1C, R-1D, R-1E, R-1T | Accessory Use | Conditional Use | <u>Hosted</u> : 1 max. except; 2, when one unit is an ADU; <u>Un-Hosted</u> : 1 max. |
| R-2, R-3, R-4, R-5, EAR-1, EAR-2, EAR-3 | Accessory Use | Conditional Use | 3 max. |
| B-1, P-1, MU-1, MU-2, MU-3 | Accessory Use | Conditional Use | 25% max. |
| B-2, B-2A, B-2B, CC, B-6P, MU-3* | Principal Use | Principal Use | No max. |

Next Steps

- Urban County Council initiation of Zoning Ordinance Text Amendment (ZOTA)
- Planning Commission process
 - Early 2023
- Urban County Council
 - Final Adoption of Zoning Text
 - Action on Code of Ordinance revisions

Questions?



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