

LFUCG Workgroup

- James Brown, Council Member At-Large
- 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, Legislative Aide to CM Sheehan
- Sharon Murphy, Legislative Aide to CM Brown

LFUCG Workgroup

- The Workgroup brought together:
 - Local operators of STRs
 - Representatives from neighborhoods with a concentration of STRs
- LFUCG workgroup held 15 meetings including meetings with stakeholder groups between March 2022 and February 2023
- Throughout this process, there was open dialogue which allowed staff to consider feedback in the process of developing regulatory options that will hopefully support responsible short term rental operators in Lexington, while addressing the concerns of neighborhoods

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 a principal use in Business Zones that allow dwelling units and hotels
- Additional Regulations Include:
 - Maximum Occupancy
 - Requirements for STR in detached ADU
 - Limitations on STR being used for private events
 - Prohibition on STR being used for commercial special events
 - BOA Guidance for consideration of Conditional Use

Amendments to Zoning Ordinance

Allowable Zone

	Hosted	Un-Hosted	# of Short Term Rental Units
R-1A, R-1B, R-1C, R-1D, R-1E, R-1T	Accessory Use		<u>Hosted</u> : 1 dwelling unit and <u>1</u> ADU <u>Un-Hosted</u> : 1 dwelling unit or <u>1</u> ADU
R-2, R-3, R-4, R-5, EAR-1, EAR-2, EAR-3	Accessory Use	Conditional Use	For Single Family Lots: <u>Hosted</u> : 1 dwelling unit and <u>1</u> ADU <u>Un-Hosted</u> : 1 dwelling unit or <u>1</u> ADU For Multi-Family Lots: 3 max.
B-1, P-1, MU-1, MU-2, MU-3	Accessory Use	Conditional Use	25% max.
B-2, B-2A, B-2B, B-4*, I-1*, I-2*, CC, B-6P, MU-3*	Principal Use	Principal Use	No max.

**when part of an adaptive reuse project, industrial reuse project, or entertainment mixed use project*

Changes to Code of Ordinances

Operator/Neighborhood Input	Change
Definition of hosted STR, un-hosted STR, and primary residence	Modify the definition of “hosted short-term rental” and “primary residence” to require a dwelling unit on the property be the primary residence of the owner, the operator, or an individual who consents to be the owner’s agent for the purposes of the STR regulation.
Investigating Complaints	Modify 13-77, adding subsection (k) to clarify that other divisions will be working with Division of Revenue
Clarify Contact Information to be posted	Modify 13-79 (a) (5) pertaining to contact information
“Grandfathering” clause	Exemption period of 6 months
License Suspension Period	Eligible to reapply one year after revocation
Consistency	Added greater consistency between the Ordinances

Changes to Zoning Ordinance

Operator/Neighborhood Input	Change
Definition of Hosted/Un-Hosted STR	Tie to definition of primary resident in Code of Ordinances
Consider additional Zones	Modify 3-13(b) to add B-4, I-1, and I-2 zones
Allowed # Units	Modify 3-13(b) to clarify the number of units allowed per lot in each zone
Occupancy Limit	Modify 3-13(c) to include a maximum of 12 occupants
Special Events	Modify 3-13(f) related to special events
Density	Modify 3-13(g) to include within 1,000 feet
Transfer of Conditional Use	Modify 3-13(h) to remove null and void upon the sale or transfer of property

Next Steps

- Urban County Council initiation of Zoning Ordinance Text Amendment (ZOTA)
- When/if approved by Council, ZOTA is referred to Planning Commission
- Planning Commission process
 - Public Hearing for ZOTA
- Upon approval of Planning Commission, ZOTA returns to Council for final review/adoption
- Urban County Council
 - Final Adoption of Zoning Text
 - Action on Code of Ordinance revisions

Questions?

