

UPDATE TO ACCESSORY RESIDENTIAL USES

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LEXINGTON



Goals of Proposed Text Amendment

- What do we want to achieve in Lexington with accessory housing?
 - More support for intergenerational living
 - More support for aging in place
 - Smaller, age-friendly, and accessible
 - Supplemental income from ADU or principal residence
 - Greater long-term housing affordability options



Goals of Proposed Text Amendment

- **Problems with the current Zoning Ordinance**
 - Administrative issues
 - Unclear definitions (Accessory Living Quarters, 2nd Kitchens)
 - Easy to circumvent
 - Not providing options that meet community needs
 - Burdensome administrative regulations that dissuade ADUs
 - Regulatory preference for Commercial Uses in a Residential Zone



Louisville ADUs

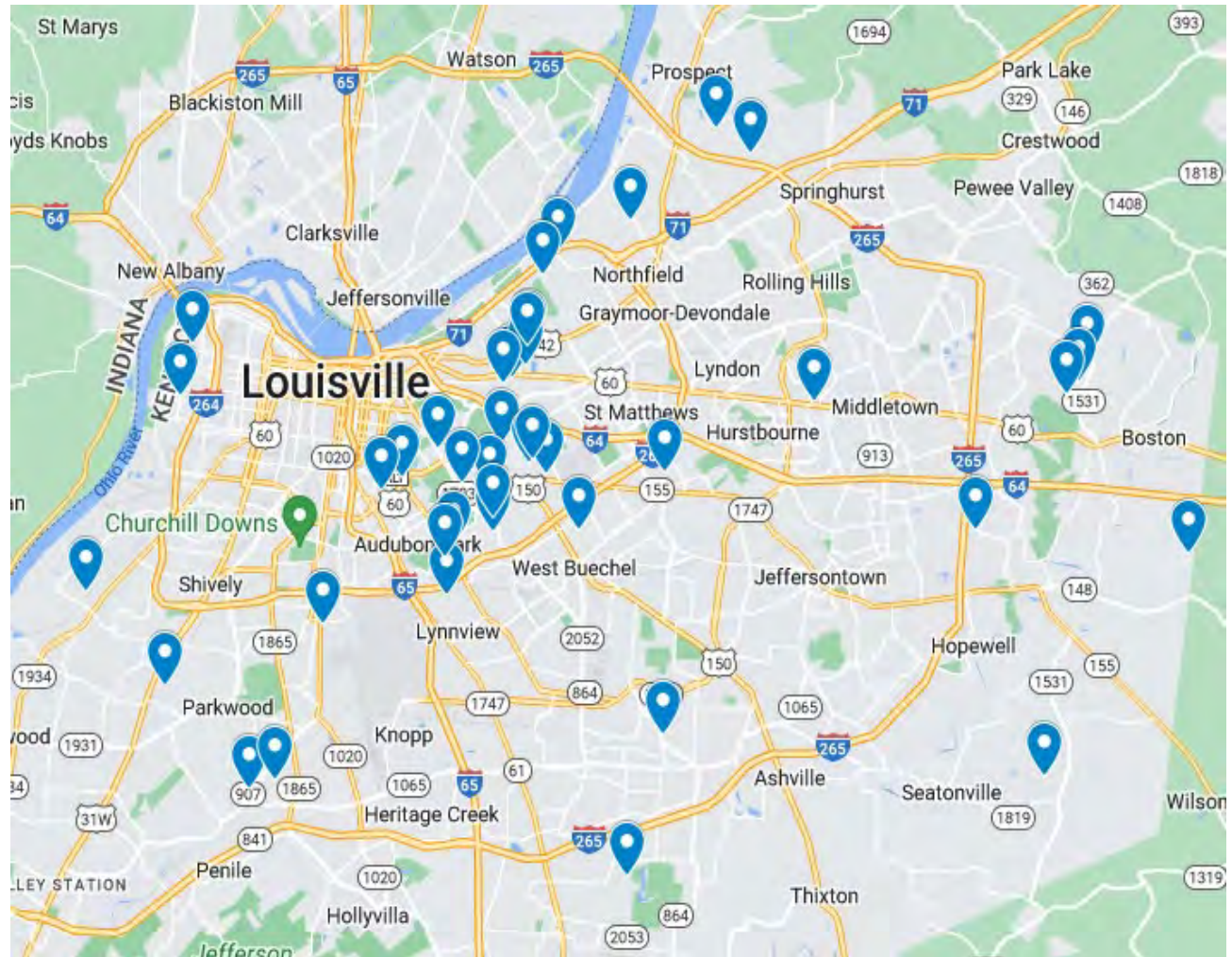
- 42 Approved ADUs since ordinance adoption
- 2021: 17
- 2022: 16
- 2023: 9

City/County Pop.: 633,045

- ADU permits/10,000 people: .63

Only 24 of those permissible under Lexington's regulations

- ADU permits/10,000 people: .38

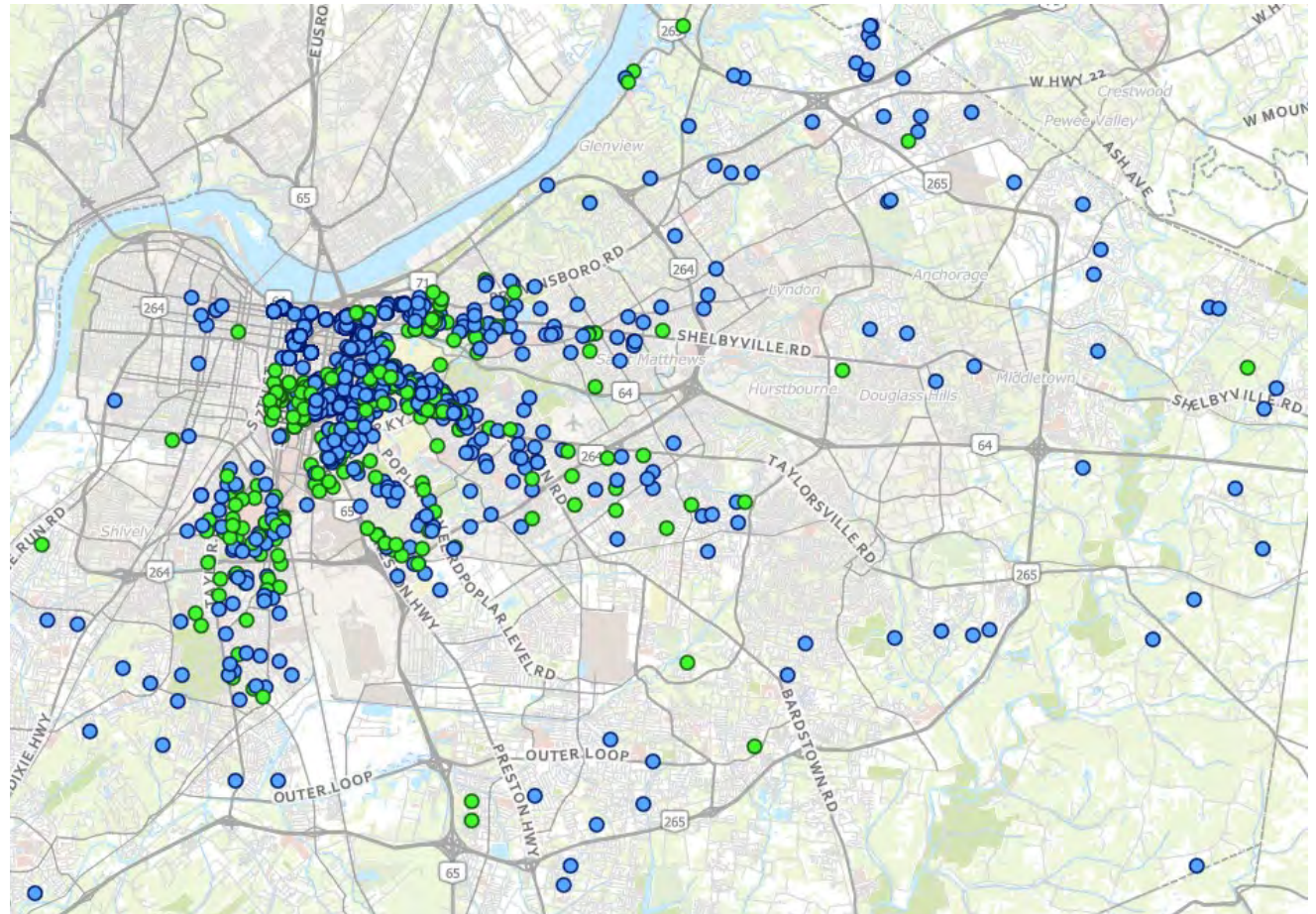




Short Term Rentals in Louisville

STR regulations adopted in 2019

- 1308 Registered Short Term Rentals
- 877 Unhosted
- Very similar regulations to Lexington
- Regulation update currently under consideration.





Meanwhile, in Lexington...

One Year + of ADUs

Ordinance adopted October 28, 2021

- 5 Permitted ADUs
- 4 Detached conversions
 - 1 Addition, previously permitted by BOA in 1995
 - .15 ADUs/10,000 residents

One Month of STRs

Ordinance adopted on July 11, 2023

Since then:

- 12 STR Zoning Compliance Permits issued
- ~40 Pending Permit Applications
- 3 Conditional Use Permit Applications filed for August
- 16 CUP Applications in the pipeline for September



Proposed Revised Text



Article 1-11

▪ New Definition:

- ***Accessory Living Quarters*** means a portion of a dwelling unit designed for the purpose of shared or intergenerational living that may contain a second kitchen and other components of a dwelling, such as an independent means of egress. A non-separated, continuous, and open access shall exist between the accessory living quarters and remainder of the dwelling unit. Total occupancy of a dwelling unit containing Accessory Living Quarters shall be limited to one family or housekeeping unit.

▪ Modify Definition:

- ***Kitchen Facilities*** means equipment arranged in a room or some other space in a structure which facilitates the preparation of food, including, but not limited to, a combination of two (2) or more of the following: a range, microwave oven, dishwasher, kitchen sink, or refrigerator. **Detached accessory structures shall not be permitted to contain kitchen facilities unless that structure is an accessory dwelling unit.** A wet bar, including a single sink with a waste drain and an under counter refrigerator may be installed in an accessory structure, provided there are no bathroom facilities, unless such facilities are separated and independently accessed. A wet bar may not include provisions for cooking, other than a microwave oven.



Article 3-12

- **Modify Special Provisions to allow new detached ADUs:**
 - **3-12(b)** Construction. An ADU may be created through **new construction**, an alteration of an existing structure, addition to an existing structure, or conversion of an existing structure to an ADU while simultaneously constructing a new primary dwelling unit on the site, ~~unless further restricted under 3-12(p).~~ **A modular or manufactured home may be utilized as an ADU, provided it meets all other requirements of this section and is attached to a permanent foundation.**

- **Modify use of an ADU as a Short Term Rental for consistency with new STR regulations:**
 - **3-12(j)** Short-Term Rentals shall be operated in accordance with Article 3-13. ~~(as defined in the Code of Ordinances).~~
 - ~~(1) The use of an ADU as an un-hosted short-term rental shall only be allowed as a conditional use.~~
 - ~~(2) If either dwelling unit is used as a short-term rental, as defined in the Code of Ordinances, the property owner is required to occupy one of the dwelling units.~~



Article 3-12

- **Modify Special Provisions to eliminate requirements for owner occupancy, deed restriction, and to allow new detached ADUs:**

~~(n) Owner Occupancy. The owner of the property must occupy either the principal dwelling unit or the ADU as the owner's permanent residence.~~

~~(o) Deed Restriction. A deed restriction shall be submitted prior to the issuance of a zoning compliance permit which states that the owner(s) agree to restrict use of the principal and ADU in compliance with the requirements of Article 3-12. At the request of the property owner and after an inspection verifying that the ADU has been removed from the owner's property, LFUCG shall record a release of any previously recorded deed restriction for that ADU.~~

~~(p) Special Provisions. Detached Accessory Dwelling Units are only permitted in detached structures which:~~

- ~~• (1) Were constructed prior to October 31, 2021; or~~
- ~~• (2) Had on file with the Lexington Fayette Urban County Government, prior to October 31, 2021 an application for a building permit.~~



What is the impact of NOT making changes?

- **Continue to burden residents seeking low-impact improvements to their existing homes**
 - **Proposed ALQ and 2nd Kitchen changes accommodate many, based on most common applications**



What is the impact of NOT making changes?

- **Continuing to make Accessory Dwelling Units difficult to build will not impact demand for Short Term Rentals**
 - **Under existing regulations, STRs remain easier AND more lucrative**



What is the impact of NOT making changes?

- **Missing an opportunity to encourage investment in neighborhoods that supports long-term housing.**
 - **A whole house conversion to STR is a loss of housing**
 - **A whole house with an ADU addition preserves long-term housing AND creates revenue opportunities**



What is the impact of NOT making changes?

- **Maintains a housing policy that prioritizes short-term rentals in residential zones over affordable long-term housing options.**

Questions?



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