

1. The Proliferation of STRs Makes Neighborhoods Less Affordable and Housing Scarcer

for renters, for homebuyers, for homeowners, and small businesses. Stop permitting this subrogation of citizens for investors and tourists.

Studies have documented the Short Term Rental (STR) effect on housing availability and housing cost.

What Does Airbnb Do to the Local Housing Market? Make It Less Affordable, by Melvin Durai

<https://www.krannert.purdue.edu/news/features/?research=7145>

Cities Tell Airbnb to Make Room for Affordable Housing, by Elaine S. Povich

<https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/10/18/cities-tell-airbnb-to-make-room-for-affordable-housing>

The Virality Of Inside Airbnb's Maps Highlight The Company's Massive Impact on Housing Shortages, by Viola Stefanello

<https://www.dailydot.com/debug/inside-airbnb-housing/>

Airbnb 'Ghost Hotels' Keep 1,000+ Homes from Rental Market, Report Suggests, by Kate Porter

<https://www.cbc.ca/news/canada/ottawa/airbnb-rental-ottawa-report-1.5090548>

Entities outside of Metro market our community's housing to out-of-state investors and encourage subversion of our regulations.

Investing in Property for Sale: How to Buy a Profitable Property for Airbnb in Louisville City Centre

<https://airbtics.com/airbnb-property-for-sale-louisville-city-centre/>



How to Get Around Short Term Rental Restrictions – Best Short-Term Rental Investment Strategies

<https://theshorttermshop.com/how-to-get-around-short-term-rental-restrictions/>

The typical applicant is NOT a local young person trying to pay their first mortgage by sharing their home.

So far in 2023, over 30% of Conditional Use Permit (CUP) applicants are corporations or individuals outside of Louisville. At least one 2023 applicant owns 50 STR units.

Investors are creating an upside-down market for beleaguered seekers of decent housing.

Cash offers, substantially above market price are flooding our neighborhoods. So far in 2023, CUP applicants have paid as much as 50% above PVA estimates.

We are dissolving our most affordable neighborhoods.

Formerly 'affordable' neighborhoods like Smoketown, Phoenix Hill, and Limerick are taking the biggest hit of the STR economy's predatory real estate practices. In Shelby Park alone, STRs have grown 174% since June 2020 with only a few of those host-occupied.

Unabated expansion of STRs in our small business corridors price out independents.

Independent businesses like coffee and book shops attract neighbors and STR investors alike. Unabated by-right conversion of C zoned properties to STRs mean less opportunity for mom-and-pop establishments.

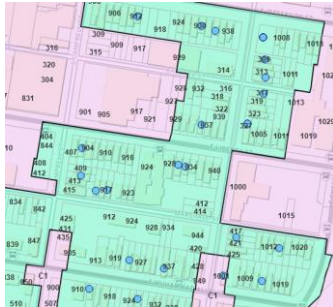
Creating commercial zoning between homes disrupts the peaceful use and enjoyment of residential properties.

Properties inside Residential Cores are beginning to be re-zoned to Commercial to avoid the CUP process. Newly C-zoned properties could be used for ANY C purpose in the future, however incompatible.

2. STRs are Insufficiently Regulated – Metro Should Take Action to make sensible regulatory changes to the Land Development Code (LDC) and the STR ordinance.

Houses and neighborhoods that have historically been residentially occupied but are zoned OR or C are permitted to become STRs without a permit, intensifying an availability crisis.

The vast network of STRs in the Phoenix Hill neighborhood are permitted by right because homes are inappropriately zoned OR. STRs are turning a community into a tourist district. Future census counts will dilute downtown residential growth, weaken representation of downtown, and encourage urban sprawl.



→ **Require a CUP for OR & C zoned properties.**

The 600 foot rule is repeatedly ignored by BOZA, increasing the STR density in our neighborhoods.

Neighbors should not be spending their free time demanding enforcement by writing AND attending BOZA meetings, only to have the rule flouted. This is a map of overlapping STRs in the Shelby Park neighborhood.



Per the LDC, permitting this violation should only be because:

4.2.1. ‘...the proposed uses are essential to or will promote the public health, safety, and the general welfare in one or more zones...’

→ **Enforce the 600 foot rule with NO EXCEPTIONS to reflect the rule’s original intent.**

Permit holders do not keep registrations current.

Registrations with Metro are an afterthought for many STR operators.

→ **Change the LDC to increase restrictions on lax registration.**

4.2.63 L. *An active registration of the STR ... shall be maintained. No STRs may take place unless the registration is active and in the name of the current host and property owner. If the registration is not renewed and lapses for six months, or in the event of a change of ownership and/or host, a new registration is not issued within six months from the date of the change, the conditional use permit shall become null and void. In order to recommence STRs, a new conditional use permit must be granted if required by this LDC. application must be filed and granted under the original CUP process*

→ **Enforce fines for lax registration and rescind permit after TWO offenses.**

§115.999 PENALTY, N) (1) Any person who violates any provision of §§ 115.515 through 115.520 will be subject to a civil penalty of \$125 as imposed by a Zoning Enforcement Officer. A second offense will be subject to a civil penalty of \$250 as imposed by a Zoning Enforcement Officer. A third offense will be subject to a civil penalty of \$500 as imposed by a Zoning Enforcement Officer. Any additional offense beyond the third offense will be subject to a civil penalty of \$1000 as imposed by a Zoning Enforcement Officer permit suspension. Each day that a violation continues after separate notice has been served shall be deemed a separate offense.

High occupancy limits are attracting problem renters.

The current occupancy cap does not invite respectable business visitors or family tourists. In our experience, it encourages bachelor parties and raging keggers. This 3BR shotgun house is eligible for 10 occupants, was approved for 12 occupants, and advertises 16+ occupants.



→ **Lower the STR occupancy limit.**

4.2.63.C. *At no time shall more persons reside in the short term rental than two times the number of bedrooms ~~plus two individuals....~~*

STRs claim properties are host-occupied when they are not.

Hosts who have not obtained a CUP do not actually live in the STR on a regular basis, circumventing the LDC.

→ **Change the definition of the STR Host.**

1.2-47 Short Term Rental Host - Any person who is the owner of record of residential real property and is the Primary Resident, ~~or any person who is a lessee of residential real property pursuant to a written agreement for the lease of such real property,~~ who offers a dwelling unit, or portion thereof, for short term rental.

→ **Require Proof of Primary Residency with residence address on voter registration or government issued photo ID.**

STRs are vulnerable to use by human traffickers.

Airbnb acknowledges the ease at which their units can be used for human trafficking. STR hosting apps have the technology to collect and flag suspicious user data but law enforcement has to request this data.

Airbnb Combats Child Trafficking with Expanded Law Enforcement Portal, by Dennis Schaal

<https://skift.com/2023/01/11/airbnb-combats-child-trafficking-with-expanded-law-enforcement-portal>

→ **Require STR hosting apps to provide flagged data to law enforcement as a 'push' activity, not just when requested.**

STRs are under-regulated in Safety.

STRs are not subject to the same Safety and Insurance requirements and tax burdens of Bed & Breakfasts, motels and long-term rentals. B&Bs, motels, and LTRs require inspection by a fire marshal for egress and emergency lighting, insurance coverage to protect hosts and guests, and receive random code inspections.

→ **Require that STRs meet the safety, insurance, tax and lead-based paint requirements of long-term rentals and motels.**

3. STR Process Begg Transparency – Metro Should Take Action to daylight the processes involving STRs so that their clients – **the citizenry of Metro** – know what is happening next door. Those seeking to engage in the STR process often run into barriers to obtain simple information regarding pending and current STRs in their neighborhoods.

- **Require that potential hosts hold pre-app meetings on location.**
- **Disqualify applicants that have been operating without a permit.**
- **Post the following documentation pertaining to STRs to Accela or LouisvilleKy.gov within a week of their submittal or occurrence.**

STR Applications

- Full applications
- Staff reports
- Public comments
- Code inspection by Metro staff
- Checklist of requirements, signed by the applicant

Permitted STRs

- Expired permits
- Violation descriptions
- Closed violation details, including action taken
- Code Accela violations to be STR sortable

Conflict of Interest

Some council members and city employees own STRs, creating bias in legislation.

- **If a Metro Council member, their employees, or their family member own a STR in Metro Louisville, they should recuse themselves for any MC voting regarding STRs.**

STR taxes and fees support more STRs.

Tax and fee revenue should not fund the Convention Bureau.

- **Divert STR taxes and fees to the Affordable Housing budget.**

Other communities are taking appropriate action to defend housing against STRs.

See what other communities have done to gain back local housing and reward the STR ‘good guys’.

<https://www.businessinsider.com/cities-fighting-airbnbs-with-regulations-for-short-term-rentals-2022-5#red-hook-new-york-20>

Submitted by Citizen Coalition for Land Development Code Reform

Citizen Coalition for Land Development Code Reform is a multi-racial, multi-generational group of neighbors from all across Louisville Metro — Beechmont, Bonnycastle, California, Chickasaw, Clifton, Park Duvall, Fisherville, Highlands, Irish Hill, Limerick, Old Louisville, Parkland, Phoenix Hill, Poplar Level, Portland, Prospect, Russell, St. Denis, Schnitzelburg, Shawnee, Shelby Park, Shively, Smoketown, Southside, Tucker Station, Valley Station, Winding Brook, Wolf Pen & growing. We wish to protect all communities that Louisvillians call home.

We invite all of our neighbors to contact us and share their concerns about land development and code enforcement in your neighborhoods. Join us on Facebook at <https://www.facebook.com/groups/751609232424548> or email us at citizenscoalition4ldcreform@gmail.com.