



**STAFF REPORT**  
**2/26/2025**

**TO:** Honorable Mayor and City Council Members

**FROM:** Celina Jimenez, Director of Economic Development

**SUBJECT:** Adopt Urgency Ordinance No. 1221 and Introduce Ordinance No. 1222  
Enacting Updated Regulations for Short-Term Vacation Rentals in the City of Coachella.

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**STAFF RECOMMENDATION:**

Staff recommends that the City Council take the following actions with respect to regulating short term vacation rental in the City:

- 1.) Adopt Urgency Ordinance No. 1221, which would go into effect immediately; and
- 2.) Introduce and waive further reading of standard Ordinance No. 1222, which would be returned to the Council at a future meeting for adoption.

**BACKGROUND:**

At its November 29, 2023 meeting, the City's Planning Commission discussed various policy issues regarding short-term vacation rentals in the City and potential amendments to the City's short-term vacation rental regulations. Those recommendations were forwarded on to the City Council.

At the July 10, 2024 Study Session, the City Council discussed policy issues and potential amendments to the City's short-term vacation rental regulations and directed staff to return with an ordinance providing updates to those regulations.

**DISCUSSION/ANALYSIS:**

Per the Council's direction, staff has drafted the attached ordinances for their consideration. Many of the amendments are simply technical updates to clarify existing terms. The principal policy amendments in these ordinances are summarized as follows:

- Adding clear definitions for "agents", "hosting platforms" and "responsible parties" who are renting a short-term vacation rental.

- Clarifying that an individual room or rooms of a residence (and not necessarily the entire residence) can be short-term rented. However, porches, canopies, tents, “pop-ups” or other structures that are not a legal “dwelling unit” cannot be individually short-term rented.
- Creating two types of short-term vacation rental permit: One is the standard “annual” permit that is good throughout the year. The other is a “seasonal” permit that allows short-term vacation rentals from March 1 through June 1 if the rental is the owner’s primary residence. This is intended to provide a simpler and lower cost option for owners who only rent their own homes during “Festival Season”. Corporate/absentee owners and those owners who wish to rent their primary residence at any time other than March 1 through June 1 would be required to secure an “annual” permit to allow short-term vacation rental.
- Providing that no owner may hold more than five permits (“annual” or “seasonal”) at any one time. Special rules are included to address corporate/business owners. In essence, if a business already holds five permits and then forms a new business entity that is owned, controlled or affiliated with the permit holding business, that new business entity will not be eligible to obtain additional permits. It’s a collective five permit limit.
- Setting a limit on the number of “annual” permits that may be issued in any one neighborhood. Provides that “annual” permits cannot be issued within a particular neighborhood if 20% or more of the residential dwelling units within that neighborhood already have an issued “annual” permit. A particular “neighborhood” is defined as the area identified in the neighborhood’s final recorded subdivision map or, if there is no such map, according to the City’s official neighborhood map. This is intended to limit the proliferation of business/absentee owner permits issued in any particular neighborhood. On the other hand, to provide grace to those owners who only seek to rent out their primary residence during “Festival Season”, this 20% limit would not apply to “seasonal” permits. At present, La Colonia is the only neighborhood where the 20% limit would apply (currently at 26%). Four other neighborhoods are near the limit: Tierra del Sol (17%) Las Plumas (16%), Valencia (16%) and Sevilla (15%). All other neighborhoods are at 9% or less.
- Requiring the owner to sign a hold harmless/indemnity agreement with the City and to secure at least \$1,000,000 general liability insurance to cover situations where someone may sue the city arising out of activities occurring at a short-term vacation rental.
- Provides that if there is a change in ownership of a short-term vacation rental, the existing permit automatically expires and the new owner must secure a new permit. Special rules are included for transfers of corporate/business ownership. Further, there is an exception for transfers between spouses and family members whereby

the permit may continue in effect, as specified in the ordinance.

- Clarifies the owner's, agent's or hosting platform's obligations to collect and remit proper transient occupancy tax (TOT) to the city and further provides that a permit may be denied or not renewed if there are outstanding taxes and/or fines that remain unpaid.
- Maintains the existing overnight occupancy limit of two persons per bedroom plus two additional persons from 10:00 p.m. until 8:00 a.m. the next morning. Clarifies the procedures whereby an owner of an unusually large lot or house may request additional overnight occupancy beyond this limit, subject to the permit administrator's investigation and discretionary approval, as well as conditions of approval to ensure a safe and appropriate event.
- Sets a parking limit of one vehicle per bedroom with a maximum of four vehicles on the rented site. "Vehicles" include passenger cars, trucks, towing trailers, boats and off-road vehicles. However, the owner of an unusually large lot or house may request additional parking along with a request for increased overnight occupancy as outlined above.
- Clarifies that a short-term vacation rental agreement may be oral or written. If the agreement is written, the existing Code outlines provisions that must be included in such an agreement.
- Clarifies that no radio, musical instrument, loudspeaker or other form of amplified sound on the premises may violate the City's Noise Ordinance.
- Specifies that no accessory dwelling unit (ADU) may be used as a short-term vacation rental. Under State law and local policy, ADU's are intended to provide additional long-term housing in the community, not short-term vacation rentals.
- Increases administrative fines for violations of this ordinance.
  - Currently, operating a short-term vacation rental without a city permit is subject to a fine of \$1,000 for each violation. This ordinance increases the fines to \$1,500 for the first violation, \$3,000 for the second violation within 12 months, and \$5,000 for the third and each subsequent violation within 12 months.
  - For all other violations (i.e., noise and disturbance violations), the fines are increased from \$500 to \$1,000 for the first violation, from \$750 to \$2,000 for the second violation within 12 months, and from \$1,000 to \$3,000 for the third and each subsequent violation within 12 months.

For purposes of discussion, there are other potential policy issues that could be included into this Ordinance:

- Require all agreements between the owner/agent and the responsible party/renter to be in writing (no oral agreements).
- Require in-person check-in with the owner/agent for all responsible parties/guests (feasible?)
- Require all short-term vacation rentals to install a “Noise Aware” or similar sound monitor system that notifies the owner/agent if guests at the rental are exceeding legal noise levels.

*Reason for Two Ordinances:*

Given the timing of this item, Staff is presenting two ordinances for the Council’s consideration:

Staff is requesting the Council to adopt Urgency Ordinance No. 1221 immediately so that the City will have updated regulations in effect for “Festival Season” which will commence in just the next few weeks. Urgency findings are included in the Urgency Ordinance and a 4/5 vote of the Council will be required to adopt it this evening.

In addition, Staff is requesting the Council to introduce Ordinance No. 1222 which is substantively the same ordinance, just not an urgency ordinance. If introduced this evening with three Council votes, Staff will bring this ordinance back for Council adoption at a subsequent meeting.

**FISCAL IMPACT:**

None.

**ALTERNATIVES:**

The City Council has the following alternatives to consider:

1. Adopt the urgency ordinance and introduce the standard ordinance;
2. Provide staff with revisions to the draft ordinances and then adopt/introduce the documents; or
3. Provide alternate direction to staff.

**ATTACHMENTS:**

1. Urgency Ordinance No. 1221
2. Ordinance No. 1222
3. Map of Short-Term Vacation Rentals by Neighborhood