



**STAFF REPORT**  
**3/25/2026**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Kendra Reif, Community Development Director  
**SUBJECT:** Sevilla II (Pyramid Ranch) Project

**SPECIFICS:** A Public Hearing to Consider Resolution No. 2026-12: Request for Approval of Resolution No. 2026-12, to rescind Resolution No. 2023-71 approved October 10, 2023, and to remove Condition of Approval #75 from the previously approved Condition of Approvals for the Sevilla II (Pyramid Ranch) project located west of Van Buren Street, south of Avenue 50 and north of Avenue 51, APN #'s 779-280-002 and 779-320-001 and certifying that the projects Initial Study with Mitigated Negative Declaration is in compliance with Section 15074 of the California Environmental Quality Act Guidelines; Applicant: City of Coachella

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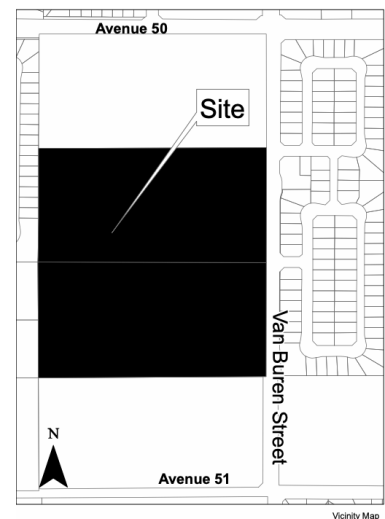
**STAFF RECOMMENDATION:**

Staff recommends that the City Council approve Resolution No. 2026-12 that rescinds Resolution No. 2023-71 approved on October 10, 2023 and removes Condition of Approval No. 75 prohibiting short term rentals within the development until two years after the final occupancy permit has been issued for TR. 38557, CUP 372 and AR 23-13.

**EXECUTIVE SUMMARY:**

The purpose of this item is to address a modification to the Condition of Approval to the Sevilla II (Pyramid Ranch) project previously approved on October 30, 2023. If approved, Resolution No. 2026-12 would remove Condition of Approval #75 prohibiting short term rentals within the development until two years after the final occupancy permit has been issued for TR. 38557, CUP 372 and AR 23-13. All other provision of the previous resolution will remain unmodified. Ordinance No. 1208 that was adopted by the City Council on October 30, 2023 for the Sevilla II (Pyramid Ranch) project is not being considered.

**BACKGROUND:**



At a public hearing on October 30, 2023, the City Council considered and approved TTM 38557, CZ No. 22-05, CUP 372, AR 23-13 along with Street Names and the adoption of EA 22-06.

In the Conditions of Approval for Tentative Tract Map No. 38557, Conditional Use Permit No. 372, and Architectural Review No. 23-13 Condition of Approval No. 75 that states the following:

No owner shall be permitted to rent or lease such Owner's Lot for transient or hotel purposes, or for a period of less than thirty (30) days unless permitted by the City two years after the final occupancy permit is issued for TR. 38557, CUP 372 and AR 23-13.

Staff is requesting this Condition of Approval be removed and is requesting that the Sevilla II (Pyramid Ranch) Project comply with Chapter 5.80 (Regulation of Short-Term Vacation Rentals) of the Coachella Municipal Code.

**DISCUSSION/ANALYSIS:**

On March 12, 2025 the City Council adopted Ordinance No. 1222, which amended portions of the Coachella Municipal Code related to Short-Term Vacation Rentals. The intent of the ordinance was to clarify and update Short-Term Vacation Rental regulations to ensure consistency with local policy objectives.

At the time of the Sevilla II (Pyramid Ranch) project's approval, a condition of approval was included prohibiting short-term rentals within the development until two years after the final occupancy permit has been issued for TR. 38557, CUP 372 and AR 23-13 before the adoption of Ordinance No. 1222.

Following adoption of the ordinance, there was miscommunication between City staff and the project developer regarding which regulatory framework would apply to the project. Specifically, the parties operated under differing interpretations as to whether the project would remain subject to the previously adopted conditions of approval or if the development was to transition to the newly adopted ordinance.

This miscommunication resulted in confusion concerning applicable development standards and procedural requirements. Staff has since reviewed the project file, approval timeline, and the effective date of Ordinance No. 1222 and determined that applying the updated ordinance would provide clarity, ensure consistency with current City regulations, and avoid potential conflicts between outdated and newly adopted code provisions.

To eliminate ambiguity and align the project with the City's current regulatory framework, staff is recommending removal of the existing condition that references the prior condition of approval. Upon removal of that condition, the project would be governed by the provisions of Ordinance No. 1222 and any applicable sections of the Coachella Municipal Code as currently adopted.

Staff believes this action will promote transparency, ensure consistent application of City regulations, and reduce the likelihood of further procedural misunderstandings as the project moves forward.

Ordinance No. 1222 establishes a comprehensive permitting and operational framework for Short-Term Vacation Rentals, summarized as follows:

### 1. Permit Requirement

- All STVR operators must obtain either an Annual Permit or a Seasonal Permit prior to advertising or renting a property.
- Permits are non-transferable and expire upon change of property ownership.
- Annual permits are valid for one year and must be renewed.
- Seasonal permits allow operation only between March 1 and June 1 of each year.
- Permit numbers must be displayed in all advertisements and posted within the rental unit.

### 2. Neighborhood Cap

- Annual STVR permits are limited to no more than 20 percent of residential units within a designated neighborhood area.
- Once the cap is reached, no additional annual permits may be issued within that neighborhood.

This provision was included to maintain residential integrity and prevent over-concentration of short-term rental activity.

### 3. Ownership Limits

- An owner may hold no more than five (5) STVR permits at any one time, subject to limited grandfathering provisions for previously approved permits.

### 4. Operational Standards

- Maximum occupancy limits apply and must be accurately reflected in all listings.
- A local contact person must be designated and available 24 hours per day, 7 days per week.
- The local contact must respond to complaints within 15 minutes by phone and be physically present at the property within 45 minutes, if necessary.
- Operators are responsible for ensuring compliance with noise standards, parking regulations, and general nuisance provisions.
- If violations occur and are not corrected, operators must take immediate corrective action, including removal of occupants if necessary.

### 5. Insurance and Documentation

- Operators must maintain liability insurance coverage as required by the ordinance.
- Rental records, complaint logs, and compliance documentation must be retained for a minimum of three years and made available to the City upon request.

## 6. Tax Compliance

- All operators must register for and remit Transient Occupancy Tax (TOT) in accordance with City regulations.
- Operators are required to file TOT returns even during periods in which no rental activity occurred.

### **ENVIRONMENTAL REVIEW:**

Pursuant to CEQA, an initial study was prepared for the Sevilla II Project. The Initial Study concluded that the project would result in less than significant impacts to Aesthetics, Agriculture and Forestry Resources, Air Quality, Greenhouse Gas Emissions, Energy, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Utilities and Service Systems and Wildfire.

The Initial Study concluded that the project would result in a less than significant impact with mitigation incorporated to Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials and Tribal Cultural Resources.

A 30-day public review period ran from September 5, 2023, to October 5, 2023. Six comment letters were submitted during the comment period. Responses to comments have been prepared for the comments received and are included in Attachment No. 2.

A Mitigation Monitoring and Reporting Program (MMRP) has been prepared and is attached in Attachment No. 2.

### **PUBLIC HEARING NOTICE:**

A notice of public hearing to consider the Project was published in the Desert Sun, the newspaper of record, on March 15, 2026, and a public hearing notice was mailed to property owners within a radius of 300- feet of the subject property on March 10, 2026, pursuant to Section 17.74.010G of the Coachella Municipal Code. At the time of issuance of this staff report, staff had not received public comments on this application.

### **FISCAL IMPACT:**

The removal of Condition of Approval No. 75 would allow for homeowners to participate in the City's Short-Term Rental Program and would be governed by Ordinance No. 1222. Ordinance No. 1222 supports the collection of Transient Occupancy Tax revenues and establishes enforcement mechanisms to ensure compliance. Administrative costs are associated with permit processing, monitoring, and enforcement activities.

### **ALTERNATIVES:**

- 1) Approve Resolution No. 2026-12 to rescind Resolution No. 2023-71 approved on October 10, 2023 and remove Condition of Approval No. 75 prohibiting short term rentals within the development until two years after the final occupancy permit has been issued for TR. 38557, CUP 372 and AR 23-13.
- 2) Deny Resolution No. 2026-12 to rescind Resolution No. 2023-71 approved on October 10, 2023 and remove Condition of Approval No. 75 prohibiting short term rentals within the development until two years after the final occupancy permit has been issued for TR. 38557, CUP 372 and AR 23-13.
- 3) Continue this item and provide staff and the applicant with direction.

**RECOMMENDED ALTERNATIVE(S):**

Staff recommends that the City Council approve Alternative #1

**Attachments:**

1. Resolution No. 2026-12
2. Resolution No. 2023-71 approving TTM No. 38557, CUP No. 372, Street Names and AR No. 23-13 and adopting a mitigated negative declaration for EA 22-06 and the conditions of approval.

Exhibit A - EA 22-06 Response to Comments Errata and Mitigation Monitoring and Reporting Program

Exhibit B – TTM No. 38557

Exhibit C – Conditions of Approval for TTM No. 38557, CUP No. 272 and AR No. 23-13

Exhibit D - DEVELOPMENT PLAN SET - SEVILLA II

Exhibit E – Proposed Street Names

3. Ordinance No, 1208
4. Correspondence
5. Vicinity Map
6. TTM – 38557 Modifications pursuant to Fire Department Requirements
7. TTM 38557 Revised Plotting
8. Ordinance No. 1222