



**STAFF REPORT**  
**3/12/2025**

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

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

**SUBJECT:** Adopt Resolution No. 2025-11 Setting the Amount of Short-Term Vacation Rental Permit Application Fees, Pursuant to Coachella Municipal Code Chapter 5.80.

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**STAFF RECOMMENDATION:**

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

- 1.) Adopt Resolution No. 2025-11 setting the amount of Short-Term Vacation Rental permit application fees, pursuant to Coachella Municipal Code Chapter 5.80.

**BACKGROUND:**

Pursuant to Chapter 5.80 of the Coachella Municipal Code, the City issues permits to owners of certain residential dwelling units within the City to lease all or some of their property as short-term vacation rentals, for a term of 30 or fewer consecutive days, subject to those conditions and regulations as provided in Chapter 5.80.

On February 26, 2025 and March 12, 2025, the Coachella City Council adopted two ordinances amending and updating the City's regulations of short-term vacation rentals. Previously, the City issued only one kind of permit - an annual permit that allows short-term vacation rental of a residence any time of year by either residents or corporate/absentee owners. However, the two ordinances above amended the Municipal Code to create a second kind of permit, a limited seasonal permit that only residents of Coachella may apply for and which is effective from March 1 through June 1 – "Festival Season".

Currently, the City imposes a \$184 fee for an annual permit application. As part of the discussion about the two ordinances above, it was identified that current application fees are insufficient to reimburse the City for its administrative costs to process permit applications and for its regulatory costs of operating the short-term vacation rental program. State law authorizes the City to enact fees at rates that are sufficient to reimburse the City for its administrative and regulatory costs of operating the short-term vacation rental program. Section 5.80.060(B) of the City's short-term

vacation rental ordinance further authorizes the City Council to set permit application fees by resolution.

**DISCUSSION/ANALYSIS:**

Staff believes that setting an application fee of \$800 for an annual permit and a \$400 fee for a seasonal permit will allow the City to better recover its processing and regulatory costs of the short-term vacation rental program. Staff believes that a lower application fee for seasonal permits is justified since the burden of processing, regulating and monitoring compliance for seasonal permits is anticipated to be less than with annual permits.

	<b>Current Permit Fee</b>	<b>Seasonal Permits (March 1 – June 1)</b>	<b>Annual Permits</b>
Coachella	\$184	\$400	\$800

	<b>Current Permit Fee</b>
Cathedral City	\$2,124
Desert Hot Springs	\$1,242
Indian Wells	\$279
Indio	\$1,944
La Quinta	\$1,050 \$1,313
Palm Desert	\$29
Palm Springs	\$1,072

Therefore, attached to this report is a Resolution to increase permit application fees to \$800 for annual permits and \$400 for seasonal permits.

**FISCAL IMPACT:**

Unknown at this time, but the City will realize a financial benefit in that increased application fees will allow the City to better recover its processing and regulatory costs of the short-term vacation rental program, thereby reducing the burden on the General Fund and other City financial resources.

**ALTERNATIVES:**

The City Council has the following alternatives to consider:

1. Adopt Resolution No. 2025-11 Setting the Amount of Short-Term Vacation Rental Permit Application Fees, Pursuant to Coachella Municipal Code Chapter 5.80.
2. Provide staff with revisions to the Resolution and then adopt it; or
3. Provide alternate direction to staff.

**ATTACHMENTS:**

1. Resolution No 2025-11