

**CITY OF CARMEL-BY-THE-SEA  
CITY COUNCIL**

**RESOLUTION NO. 2024-057**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA APPROVING AN AGREEMENT BETWEEN THE CITY OF CARMEL-BY-THE-SEA AND PACASO, INC.**

WHEREAS, on January 21, 2022, a Grant Deed was recorded for a home which transferred title to Dolores 7 SW of 13<sup>th</sup> LLC, a Delaware limited liability company (hereafter “Dolores Home”); and

WHEREAS, Pacaso, Inc. (“Pacaso”) has marketed the Dolores Home as a fractional interest sale of 1/8 shares in which in which each share owner is entitled to occupy the Dolores Home for specified dates as agreed upon by the share owners to the exclusion of the other share owners; and

WHEREAS, the City Attorney submitted correspondence to Pacaso in 2022 taking the position that the Dolores Home constitutes a timeshare within the meaning of the City Municipal Code as that Code existed in 2022; and

WHEREAS, Pacaso responded that the Dolores Home is not a timeshare and is not in violation of the City Municipal Code; and

WHEREAS, on March 27, 2023, the City adopted Ordinance 2022-007, which amended the City Municipal Code relating to timeshares; and

WHEREAS, on April 24, 2023, the City submitted Ordinance 2022-007 to the California Coastal Commission (“CCC”) as a proposed amendment to the Local Coastal Plan Implementation Plan (“Implementation Plan Amendment”); and

WHEREAS, on October 13, 2023, the CCC certified the Implementation Plan Amendment finding that it conforms with, and is adequate to carry out the provisions of, the certified Land Use Plan; and

WHEREAS, there is currently a good faith dispute between the City and Pacaso regarding whether the ownership of the Dolores Home violates the 2022 Code and/or Ordinance 2022-007; and

WHEREAS, in order to resolve the dispute between the City and Pacaso regarding the Dolores Home, there is proposed an Agreement between the City of Carmel-by-the-Sea and Pacaso, Inc. (“Agreement”) which is attached hereto as Exhibit A and hereby incorporated in full by this reference; and

WHEREAS, under the terms of the Agreement, the Dolores Home will be deemed a legal nonconforming use, sometimes referred to as “grandfathering”, in which a use that was permitted under the law in effect at the time of a transaction may become inconsistent with subsequent changes to the City codes; and

WHEREAS, the Agreement also provides that Pacaso will not, except for the Dolores Home, market, use, sell or purchase any real property or portion thereof in all zoning districts in the City that is fractionally-owned or intended to be fractionally-owned and would not assist others in the market, use, sale or purchase of fractionally-owned Property.

WHEREAS, other terms are set forth in the Agreement.

**NOW THEREFORE, the City Council of the City of Carmel-by-the-Sea, hereby resolves as follows:**

**1. SECTION 1.** The Recitals set forth above are true and correct and are hereby incorporated in full by this reference.

**2. SECTION 2.** The Agreement Between the City of Carmel-by-the-Sea and Pacaso, Inc. attached to this Resolution as Exhibit A is hereby approved and the Mayor is hereby authorized to sign this Agreement.

**3. SECTION 3.** The City Administrator is authorized to execute all necessary documents to effectuate the purpose and intent of this Resolution.

**3. SECTION 4.** This Resolution will take effect immediately upon its adoption by the City Council.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 8<sup>th</sup> day of July, 2024 by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Dave Potter  
Mayor

\_\_\_\_\_  
Nova Romero, MMC  
City Clerk

**EXHIBIT A** - Agreement between the City of Carmel-by-the-Sea and Pacaso, Inc.