

The ONE-PS Board is opposed to the Pacaso-type residential model.
(Approved 5-1-2023)

The rationale for our position on Pacaso is as initially agreed at our 04.03.2023 Board meeting and as finalized on 05.01.2023, based on at least, but not limited to, the following:

1. General concern over Pacaso and its business model. Other resort destination cities have determined the Pacaso business model is essentially timeshare use, including most recently in February 2023 in Carmel and March 2023 in Newport Beach;
2. ONE-PS is opposed to the selling of our neighborhoods to the highest bidder without full consideration of the community's and residents' best interests
3. We need to preserve the traditional, important neighborhood concept which has developed in Palm Springs
4. ONE-PS is concerned that other entities and businesses are now copying the Pacaso model
5. ONE-PS sees a major problem with the lack of oversight, enforcement and local ordinances to provide controls of the Pacaso model
6. ONE-PS senses a lack of TOT application to Pacaso homes as a possible "work-around" of vacation rentals restrictions, thereby contributing to the affordable housing shortage in Palm Springs
7. We see a need for a strict policy on fractional home ownership throughout the city
8. Current listings for a Pacaso type home in Palm Springs mention that the home is "professionally managed and "fully furnished and professionally decorated" indicating that the owners are actually in a

managed vacation rental-type arrangement that has evaded regulations and TOT

9. ONE-PS understands that family and/or friends may group together to purchase a home as a step toward individual home ownership, but we believe that separate and unrelated active ownership (not silent partners) has a negative impact on the concerns of the neighborhood

10. Finally, ONE-PS is concerned that Pacaso ownership results in an artificial tax base for such homes. Neither the state of California nor Riverside County considers the price of fractional ownership in determining valuation for taxation purposes. Thus a Pacaso home purchased for \$2 million and then sold in 8 shares of \$500,000/ea is still valued at \$2 million, not \$4 million.

Peter Sipkins
Chair
ONE-PS