

City of Novato Looks to Solve Its Financial Crisis on the Backs of 400+ Mobile Home Park Residents

Five Days After Release of Grand Jury Report a \$30 Million Offer Is Made

Just five days after the June 8, 2023, release of the Marin County Civil Grand Jury Report (GJR), *Novato's Chronic Fiscal Deficits: A Call to Action*, a private for-profit developer presented a fully formed, executed offer for \$30 million to the City of Novato (City) to purchase the land upon which Marin Valley Mobile County Club (MVMCC) is located. Rather than immediately starting the serious work needed for other financial fixes, the City is rushing to pursue a \$30 million windfall on the backs of MVMCC residents, 41 percent of whom are low to very-low income.

City of Novato Provides Misleading and Incomplete Data to the Grand Jury

The June 8, 2023, GJR wrongly accused MVMCC of operating “at a substantial deficit” and presenting “increasing administrative and financial burdens on the City.” The GJR report also outlines a number of financial missteps by the City leading to its \$2.6 million shortfall for FY2023/2024. The GJR includes misleading and inaccurate information:

- Its assessment is based on a **projected** budget provided by the City rather than **actual** operating expenses and revenues. While the audited financial statements from MVMCC’s management company for FY 2019/2020 show a surplus of \$842,000, the City-provided data showed a budget deficit of \$803,000 for 2020. That’s an error of \$1.6 million.
- The GJR also did not report that the City’s bank loan, taken to buy the land, requires MVMCC to generate net revenues of \$1.3 million yearly, twice the amount of one year’s loan payments. MVMCC has always accomplished this.
- Unbeknownst to the Grand Jury, MVMCC has created a surplus in each of the last 12 years, accumulating \$4.8 million in reserves. The City of Novato’s own published budget reports available on their website, for fiscal years 2014/15 through 2019/20, include the actual revenues and expenses for previous years. The actuals show MVMCC has operated at a profit for at least the last 12 years.

City of Novato Failed to Conduct Outreach to MVMCC Residents

City officials have made no genuine effort to understand residents’ concerns about the land upon which their homes are located, nor has the City expressed any concern about the impact on residents of a sale to a private, for-profit entity. Despite an extraordinary turnout of over 140 residents at each of the recent City Council Closed Session meetings, where residents pleaded for consideration and respect, the City continues its rushed pursuit of the sale to a single, for-profit developer. The City has made no consideration of alternatives that would not threaten the residents’ homes.

The City’s “effort to include Park residents in the decision-making process through the use of a survey” is a clear demonstration of the City’s disparaging approach to the residents’ very real concerns. One of the five questions queried residents, “Would you be interested in a potential condition of sale legally imposed upon a potential buyer that would prevent the resale of MVMCC for a predetermined amount of years?” The answers offered included 5, 10, or 15 years. “Never” was not an option. The survey is a push poll that presents the sale of MVMCC as a foregone conclusion. It includes no method for genuine

resident comment or input and was only available online, requires the acceptance of cookies, nor does it have a City logo or other identifying information to show that it is, in fact, the City's. The push poll makes no mention of the City Council's concern for residents.

Novato Gains \$30 million, Residents Left with \$0

Since 1997, when the City took ownership, MVMCC residents have maintained a self-sufficient park and have faithfully paid down the City's \$18 million mortgage. The remaining balance of \$2.7 million will be paid off by December 2027. Now, the City stands to make \$30 million, on top of leaving the residents with zero to show for paying down the City's debt.

MVMCC Seniors Stand United to Save Their Homes and Way of Life

The City's continued blatant lack of consideration and respect for the lives of MVMCC's over 400 senior residents has galvanized the community and brought support for the seniors from all corners of Novato and beyond. Residents are committed to shedding light on the City's cynical, desperate plan until the City implements legitimate plans to solve its own financial issues.

Marin Valley Mobile Country Club Is a Showcase for Affordable Senior Living

MVMCC is a model, over-55 community providing a safe and peaceful setting for its over 400 residents. It is financially self-sustaining, providing a significant affordable-housing option for the City and the County of Marin. Affordable housing is crucial in the County – ranked 8th among highest-income counties in the United States, based on median-household income, according to the 2020 US census. At MVMCC, 41 percent of the 315 homes are occupied by low-¹ and very-low-income residents. Further, the MVMCC provides much-needed social support with its strong community and ongoing social activities. Social support can significantly affect overall health as people age and can boost one's quality of life.

What Happens to Mobile Home Parks Under Private, For-Profit Ownership?

The sale of MVMCC to a private, for-profit developer will most certainly lead to the displacement of residents, as rents will steadily increase in the pursuit of profit. The facts about ownership of mobile home parks are straightforward – private for-profit owners drive residents out of their homes. This is happening all around the country. The following news articles demonstrate clearly that mobile home ownership by private, for-profit developers does not go well for residents.

August 8, 2023 – Residents at Petaluma mobile home community shaken by massive proposed rent hikes. –**KPIX-TV, San Francisco**
<https://www.youtube.com/watch?v=QU99gPu0I00>

December 23, 2022 – Mobile home residents buy their Park, protecting themselves from eviction. –**NPR**
<https://www.npr.org/2022/12/23/1145170845/mobile-home-residents-buy-their-park-protecting-themselves-from-eviction>

June 6, 2022 – “We’re all afraid”: Massive rent increases hit mobile homes. –**Washington Post**
<https://www.washingtonpost.com/business/2022/06/06/mobile-manufactured-home-rents-rising/>

May 20, 2022 – As Fresno tries to manage a housing crisis, a corporate owner moves in. –**PBS**
<https://www.pbs.org/newshour/economy/in-california-tenants-of-a-mobile-home-park-try-but-fail-to-stop-a-corporate-takeover>

March 7, 2022 – Investors are buying mobile home parks. Residents are paying a price. – **New York Times**
<https://www.nytimes.com/2022/03/27/us/mobile-home-park-ownership-costs.html>

¹ Low-income families are defined as those with incomes between 50% and 80% of the area's median income for a household of one person. Marin Housing defines 50% as \$61,250. Very-low income is defined as less than 50% of the area's median income.