

PRESS RELEASE

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City of Novato Looks to Solve Its Financial Crisis on the Backs of 400+ Mobile Home Park Residents *City Issues Biased Polling and Wrongly Vilifies Senior Residents*

In the last 5 weeks, the Novato City Council has met 3 times in closed session to discuss the sale of the land upon which 315 senior homes sit in the Marin Valley Mobile Country Club (Park) to a private, for-profit developer for \$30 million. To date, with no genuine outreach from the City of Novato (City) to the Park's 400+ residents and despite an extraordinary turnout of over 140 residents at each of the last 2 closed sessions, where residents pleaded for consideration and respect, the City continues its rushed pursuit of the sale to a single for-profit developer, with no consideration of alternatives that would not threaten the Park residents' homes.

Since 1997, when the City took ownership, Park 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, leaving the residents with zero to show for paying down the City's debt.

In early June 2023, the Marin County Civil Grand Jury Report (GJR), *Novato's Chronic Fiscal Deficits: A Call to Action*, wrongly accused the Park of operating "at a substantial deficit" and presenting "increasing administrative and financial burdens on the City." The GJR based its assessment on a **projected** budget provided by the City rather than **actual** operating expenses and revenues. The audited MVMCC financial statements 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. Unbeknownst to the Grand Jury, the self-sustaining Park created a surplus in each of the last 12 years, accumulating \$4.8 million in reserves. The GJR also didn't know or report that the City's banknote to buy the land requires MVMCC to generate net revenues of \$1.3 million yearly, twice the amount of one year's loan payments as MVMCC has always done.

Just five days after the GJR release, on June 13, 2023, a private, for-profit developer appeared and made an offer to the City Council to purchase the Park's land for \$30 million.

The president of the Park's elected board of directors (Park Acquisition Corporation; PAC), Jay Shelfer, stated: "The City is facing a \$2.6 million shortfall this year. Rather than immediately starting the serious work needed for other financial fixes known to them, the City is rushing to

pursue a \$30 million windfall on the backs of the Park's residents, 41 percent of whom are low to very-low income."

City of Novato Biased Polling (polling questions are attached below on page 3)

On July 25, 2023, the City requested the Park's management company, rather than the PAC Board as required, to distribute a flyer to all residents, pointing them to an online "survey." At 7:00 a.m. the next day, an attempt was made to distribute the handout to each residence without adhering to rules regarding distribution of materials in the Park. The distributors were instructed to leave. The following day, July 27th, the City issued [a news release](#) wrongly blaming the PAC Board president and residents for preventing the distribution, when it was City staff who acted wrongly by circumventing the rules. Because the City sought to distribute the City Manager's flyer inside the Park without following the rules, distribution was rightfully stopped by the PAC president and other residents. The City has refused to retract its misleading narrative.

In apparent recognition of its failure, on August 2, 2023, the City asked the PAC to post its correspondence on the Park's website and post it at the clubhouse. As the request followed the proper procedures, these actions were taken. The City says the poll was "an effort to include MVMCC residents in the decision-making process through the use of a survey [and] for the City Council to better understand and respond to the residents' preferences in the event of a potential sale."

While the PAC Board welcomes earnest interaction with the City Council and City staff, City officials have made no genuine effort to understand residents' actual concerns about the land upon which their homes are located nor has the City expressed any concern about the impact a sale to a private for-profit entity would have on residents.

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. Its July 27th news release omitted key information about the "survey":

1. The City's use of the word "survey" is incorrect. It is a push poll.
2. The push poll presents the sale of the Park as a foregone conclusion.
3. The push poll includes no method for genuine resident comment or input.
4. The push poll online location requires the acceptance of cookies and has no identifying City logo or other identifying information to show that it is, in fact, the City's.
5. The push poll has no mention of the City Council's concern for residents.

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

The City's continued blatant lack of consideration and respect for the Park's over 400 senior residents' lives 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.

PLEASE NOTE: The next Novato City Council closed session is scheduled for August 22, 2023, at 5:00 p.m. at City Hall.

ATTACHMENT – CITY’S SURVEY QUESTIONS

How long have you lived at MVMCC?

- 0-4 years
- 5-9 years
- 10+ years

Which of the following potential conditions of a sale would you like legally imposed upon a potential buyer of MVMCC? Select all that apply

- Rental assistance programs for residents unable to afford rent increases
- No current resident could be evicted for inability to afford rent increases
- New owner would be subject to the same Mobile Home Rent Control Ordinance as the City
- At least 40% of the park spaces would remain affordable housing

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?

- Yes, 5 years
- Yes, 10 years
- Yes, 15 years
- No, not interested in imposing this condition

If MVMCC were to be sold again AFTER a predetermined amount of years, would you be interested in a potential condition of sale legally imposed upon a potential buyer that would require residents, at that time, to have first right of refusal?

- Yes
- No

If MVMCC were to be sold, are there any other potential conditions of sale you would like the City Council to consider imposing upon a potential buyer? An answer with up to 300 characters is allowed.

ADDITIONAL BACKGROUND

Marin Mobile Country Club Is a Showcase for Affordable Senior Living

In 1969, Marin Valley Mobile Country Club opened in Novato, CA. Today, it is a model, over-55 community providing a safe and peaceful setting for its 400 residents. The Park is financially self-sustaining, providing a significant affordable-housing option for the City of Novato and the County of Marin. Affordable housing is crucial in the County as it is ranked 8th of highest-income counties in the United States, based on median-household income according to the 2020 US census. At the Park, 41 percent of the 315 homes are occupied by low-¹ and very-low-income residents. Further, the Park provides much-needed social support with its strong community

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.

and ongoing social activities. Social support can significantly affect overall health as people age and boost one's quality of life.

According to Park Resident Meg Jordan, PhD, RN, Chair and Professor of Integrative Health at San Francisco's California Institute of Integral Studies, "The City has provided security and financial stability by serving as owner, with reasonable, affordable rents. This financial stability is an endangered aspect of community wellbeing in much of California, as we hear cries of unaffordability echo everywhere, along with a private-equity mad dash to purchase mobile home parks, resulting in exorbitant rents for retirees and vulnerable elderly."

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

The sale of the Park 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 5, 2023 – Petaluma sees its first major challenge to new mobile home laws. A Petaluma mobile home park announced rent increases of over 100%. [of CPI] –**Press Democrat, Santa Rosa, CA**
<https://www.pressdemocrat.com/article/news/petaluma-sees-its-first-major-challenge-to-new-mobile-home-laws>

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>

July 22, 2022 – Rents Spike as Big-Pocketed Investors Buy Mobile Home Parks. –**US News**
<https://www.usnews.com/news/business/articles/2022-07-25/rents-spike-as-big-pocketed-investors-buy-mobile-home-parks>

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>

September 3, 2021 – Why Are Investors Buying Up Mobile Home Parks and Evicting Residents? –**NPR**
<https://www.npr.org/2021/09/03/1033910731/why-are-investors-buying-up-mobile-home-parks-and-evicting-residents>

March 8, 2021 – What Happens When Investment Firms Acquire Trailer Parks? –**New Yorker Magazine**
<https://www.newyorker.com/magazine/2021/03/15/what-happens-when-investment-firms-acquire-trailer-parks>