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Dick Spotswood: Numbers conflict on profitability of Novato mobile home park

Novato is home to 415 senior citizens who have just learned they're in danger of losing their homes.

All are residents of Marin Valley Mobile Country Club immediately adjacent to Hamilton. This is affordable housing. Rent for each pad is about \$650 per month including utilities. The 315 units are not-very-mobile house trailers, single- or double-wide manufactured homes owned by individual residents.

About 41% of the residents of the well-maintained facility qualify for affordable housing. The reality is that the majority of the remainder chose MVMCC because their retirement savings coupled with Social Security places them in the bottom economic quarter of Marinites.

Since 1997, when Councilmember Pat Eklund led the effort, Marin Valley has been owned by the city. It is operated by Helsing Group Inc., a private sector professional manager which also prepares its own financial reports.

The brouhaha recently arose when the Marin County Civil Grand Jury reported the supposedly break-even Marin Valley housing cost the fiscally troubled city an average of \$903,477 over the past four years. The grand jurors' report was based on data coming from Novato's current budget.

An analysis prepared by Marin Valley's resident council finance chair, Steve Plocher, a certified public accountant, indicates the grand jury's data supplied by the city is misapplied. A budget is a prediction of expenditures, not a report of real-world past expenses. It has a different purpose than current profit-and-loss statements. Note that the city is 30 months behind in obtaining its own audited financial statements.

Plocher compared Novato's budget with the statement compiled by Marin Valley's management firm's certified public accountants. It indicates MVMCC generated a \$2,180,933 surplus over the same four years. Plocher adds, "There's no excess of ongoing deferred maintenance. We present no financial burden on the city of Novato."

The city also predicted in its 2023 MVMCC “capital improvement survey” that between now and 2051, MVMCC requires capital expenditures of \$38,993,949 in 2023 dollars. Whether those improvements are essential or simply an idealized wish list, is in contention.

According to Novato’s 2022-23 budget, Marin Valley should expect “total revenue of \$3,420,815, total expenses of \$3,942,789 and total expenses over revenue of \$521,974.

Marin Valley’s accountant’s final profit and loss statement shows: “total revenue \$3,614,485, total expenses of \$3,528,218, and final revenue over expenses of \$86,267.

That’s the issue. Which is correct?