



Park Acquisition Corporation
Marin Valley Mobile Country Club
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City of Novato Issues Ultimatum: \$26 Million Required for Resident Ownership of Marin Valley Mobile Country Club

Residents Unite to Reject City's Ultimatum

Novato, CA – In a critical development for senior affordable housing in Marin County, the City of Novato (City), the owner of Marin Valley Mobile Country Club (MVMCC or Park) since 1997, has issued an uncompromising counteroffer to the MVMCC Park Acquisition Corporation (PAC) Board of Directors, requiring a \$26 million purchase price for resident ownership of the community. The City's July 16 response to the PAC Board's \$20 million purchase price proposal is an ultimatum for a \$26 million purchase price and refusal to assist with financing the acquisition, thereby greatly increasing the financial burden on the community, and an outright rejection of applying the MVMCC capital improvement reserves, collected from resident rents, to pay for the long-deferred capital improvements to the park facilities.

"To become a sustainable, low and lower income-affordable, senior resident-owned mobile home park, the PAC Board's counteroffer, with overwhelming resident support, does not meet the City's ultimatum for \$26 million. We will meet in the middle at \$23.5 million," stated John Hansen, PAC President.

August 11 PAC Counteroffer at \$23.5 million (the counteroffer is attached)

The PAC Board has developed a counteroffer rejecting the City's demand for \$26 million to purchase the Park.

- This increased purchase price from the PAC's original offer of \$20 million represents a midpoint between the two current appraised values for the park, the Semple appraisal's final market value of \$25,600,000 and the John Neet appraised valuation of \$21,300,000.
- The PAC/MVC will finance the purchase with a loan from ROC USA Capital and a grant from the U.S. Department of Housing and Urban Development. The purchase price will be paid to the City of Novato in cash at close of escrow and does not rely upon the City financing the acquisition, as required by the City.
- The PAC fully considered and analyzed the City's demand for a \$26 million purchase price and determined that the impacts of such a purchase price on the residents of the Park could not

be adequately mitigated. The \$26 million purchase price would also not meet the City's Housing Element goal of preserving the Park as a source of naturally occurring affordable housing.

- Increasing the purchase price to \$23,500,000 and relying upon conventional financing will require some revisions to the PAC's Financing Plan as outlined in the counteroffer. One impact noted is that carrying charges will increase by approximately \$140 to \$185 per month per member household. The amount of the carrying charge increase cannot be finalized until the terms of the loan from ROC USA Capital and the amount of the HUD grant are finalized.

July 16 City's Counteroffer at \$26 million

On July 16, 2025, the City responded with an ultimatum that included two mandatory conditions:

1. A minimum purchase price of \$26 million, using the City's appraisal by Semple Associates, dated May 16, 2025, and amended July 15, 2024; and
2. A prohibition on City financing or any other financial or in-kind contributions.

The City stated that additional terms may be considered if the PAC agrees to these two baseline conditions, though no further details were provided.

June 19 PAC Offer to City at \$20 million

On June 19, 2025, the PAC Board submitted a formal acquisition proposal offering a net \$20 million for the acquisition of MVMCC's 63 acres. The proposal emphasized the need to preserve housing affordability for the Park's 400+ senior residents — many of whom fall into the extremely low- and acutely low-income brackets for Marin County (*\$41,150 and \$19,600 respectively*¹). The \$20 million net offer represents 94% of the PAC Board's mobile home park expert appraisers' value of \$21.3 million. The \$20 million proposal put forth by the PAC Board would:

- Allow the residents of MVMCC to fully fund the park operations **without** the use of Novato City public funds, as it has since the City took ownership in 1997.
- Provide the City of Novato with \$500,000 of annual income for 35 years, in addition to approximately \$2.3M from MVMCC cash accounts for immediate use for any purpose.
- Maintain affordable space fees for **all residents** by keeping annual rent increases in line with the City's Mobile Home Rent Control Ordinance Consumer Price Index (CPI) formula, currently 2.7%.
- Provide funding for long-deferred capital improvements, including bringing the Park's facilities into compliance with the Americans with Disabilities Act (ADA), replacing the clubhouse roof, and repairing structural damage due to water and termite infestation.
- Allow MVMCC to implement a long-term, sustainable economic plan that ensures that the Park remains affordable for MVMCC residents.

ADDITIONAL BACKGROUND

- The assurances made by Novato Mayor O'Connor that the City will protect the Park from sale to a for-profit entity provide no security to the Park's residents for a future of affordable and sustainable housing. Future administrations can easily undo any action taken by the current council. Further, MVMCC's City Council representative, Mark Milberg, consistently stated that a "win-win" solution would be accomplished - a \$26 million demand is a win only for the City.
- Meeting the City's \$26 million demand will require an estimated \$185 or possibly as much as \$300 monthly rent increase per member household. MVMCC residents are 91% low and lower income, and this level of rent increase would be prohibitive for the 124 residents that are in the acutely-low and extremely-low income bracket and would jeopardize housing security in a community built to serve Marin's seniors with affordable housing.
- The City received an unsolicited offer for the property in June 2023 at \$30,000,000. Residents implored the City not to go through with the sale; the City dropped consideration of the offer on August 22, 2023.
- In May 2024, the City entered into an Exclusive Negotiating Agreement with the PAC Board to negotiate, in good faith, a win-win solution for the ownership of the Park.
- Since the City acquired the Park, resident rents have paid down the original debt incurred by the City for the purchase of the Park from \$24 million down to a remaining \$1.52 million, and the City has not contributed monetary resources to the Park during this period with the exception of expending approximately \$3 million in ARPA funds for a sewer project.