

Bernard Meyers letter to Novato City Council

Dear Mayor and Members of the Council:

April 14, 2026

Summary

Nearly thirty years ago, the City of Novato helped the residents of Marin Valley Mobile Country Club (MVMCC) acquire their park in order to preserve affordable housing for seniors and future senior residents. The historical record indisputably shows that the transaction was structured with the expectation that the park could ultimately be transferred to a nonprofit entity while maintaining affordability protections. Now that the financing obligations that justified City ownership are largely satisfied, the City has an opportunity to complete the vision that guided the original transaction. I respectfully urge the Council to promptly begin planning for that transition.

Novato's Opportunity

On December 16, 2025, I addressed the Council regarding this matter. Thereafter, I exchanged correspondence with the City Manager. That exchange clarified the City's concerns and reaffirmed the City's objective: *"a desire to preserve long-term affordability, safety, and security for current and future residents of the park."* That goal is admirable and within reach.

Indeed, preserving affordable housing—particularly housing that allows long-time residents and seniors to remain in the community—has long been a stated priority of the City. The actions taken by the Council and Redevelopment Agency in 1996 and 1997 to assist the residents of MVMCC reflected that commitment. The question before the City today is not whether that commitment exists, but how best to carry it forward.

The principal issue raised in the City Manager's response is the absence of documentation confirming that the parties to the 1997 transaction understood that, once the acquisition financing was repaid, ownership of the park could be transferred to a nonprofit entity maintaining its affordability. Determining whether that understanding existed is therefore central to the present discussion.

A review of the available record confirms the conclusion that such an understanding did exist.

First, it is important to understand the structure of the original transaction. Although the City played a critical role in arranging the financing, the bonds used to acquire the park were to be repaid through park revenues—specifically, the residents' rent payments - which were increased to cover the bond payments and all other costs. If those revenues had proved insufficient, the City's general fund would not have been liable. Senior bondholders' only recourse would have been limited to the project itself, while redevelopment housing funds secured the subordinate bonds. Once those subordinate bonds were repaid, the City had no remaining financial exposure.

This structure allowed the City to pursue a constructive public objective: assisting senior residents in acquiring their park while preserving long-term affordability. The residents themselves accepted significant obligations and restrictions—including increasing their rents and income qualifications and resale limitations affecting over 40% of the spaces—in order to make that objective possible. Importantly, they shouldered those extra burdens, even though I expect every resident of this seniors park understood that they would probably not live to see the full fruits of their extra payments and obligations.

To help clarify the City’s original intentions, I am attaching a statement from former City Manager Rod Wood, who was directly involved in structuring the transaction. Mr. Wood also oversaw the highly successful redevelopment of Hamilton Air Force Base into the community we know today as Hamilton. His recollection of the MVMCC transaction is particularly instructive. He concludes: "The City should honor its original intent and transfer the park to a nonprofit entity at cost to preserve affordability in perpetuity".

Even apart from Mr. Wood’s statement, the available documentary record supports the conclusion that the eventual transfer of the park to a nonprofit entity was contemplated from the outset. Beginning in 1996, the City and its Redevelopment Agency adopted a series of resolutions designed to facilitate the residents’ acquisition of the park while preserving affordable housing. These actions created the Novato Financing Authority (NFA) and authorized the issuance of tax-exempt bonds to fund the acquisition.

At a public hearing on October 21, 1996 concerning the proposed bond issuance for the Marin Valley acquisition project, it was stated that “The Project would initially be owned by the NFA [but] that the Authority anticipates transferring all its right, title and interest to a yet-to-be incorporated 501(c)(3) corporation.”

City Council Resolution No. 126-96 of October 24 reiterated that expectation, stating that “the NFA anticipated transferring all of its right, title, and interest in the project to a yet-to-be-formed nonprofit 501(c)(3) corporation.”

The February 21, 1997, disclosure statement provided to residents by the NFA described a similar structure: the park would initially be owned by the NFA but could later be transferred to a nonprofit entity once financing and redevelopment obligations allowed it.

Other transaction documents—including the In-Lieu-of-Tax Agreement and the Loan Agreement executed March 1, 1997—also contemplated the possibility of transferring the project to a nonprofit corporation, subject to appropriate approvals and conditions. These documents also made clear that repayment of the bonds was limited to park revenues and that under no circumstances would the City of Novato or its officers or employees be liable for those obligations.

The materials provided to bond purchasers likewise stated that the NFA anticipated transferring its interest in the project to a nonprofit corporation, which would then assume the project’s obligations.

Following completion of the financing in March 1997, residents began paying rents to the park's operating entity as contemplated by the agreements. Over time those revenues have funded debt service, park operations, maintenance, and capital improvements.

In an NFA meeting on December 17, 1999, Chair Eklund said: "The NFA, since the beginning, has been committed to helping MVMCC become a resident-owned park." NFA Member and former City Manager Phil Brown concurred, adding: "It was never the intent of the NFA to become permanent owner of the park."

As noted in a March 28, 2023 City Manager report to the Council, all costs associated with the acquisition and operation of MVMCC—including debt service, maintenance, and improvements—have been paid from park revenues. No City general funds were used to acquire the park. This result was exactly what the City intended as can be seen from Mr. Wood's remarks on March 4, 1997: "at the end of the day, everything is paid for by rents, which are in turn paid by the residents."

Mr. Wood was as accurate as he was prophetic at that March 1997 meeting: "[N]ot everyone will be happy with the terms and conditions of this transaction. There were dozens of people who have to be satisfied with this process. These terms and conditions are a series of compromises that had to be made by everyone. He hoped that the tenants will bear this in mind that a great deal of time and money has been spent trying to place the tenants in sole control so that they can protect their interest in the park. There will be rent increases to make the transaction work." Significantly, every City vote regarding MVMCC received unanimous approval.

City Manager Cunningham also referenced approximately \$3 million spent on pump improvements at the park utilizing American Rescue Plan grant funds. I am aware that there are differing views regarding that issue and do not attempt to resolve it here. If, after a hearing, the Council determines that reimbursement is appropriate, that matter can be addressed separately.

The broader point, however, remains clear. The historical record demonstrates that the transaction was structured to allow the park ultimately to transition to nonprofit ownership while preserving long-term affordability.

The residents who participated in the transaction agreed to assume responsibility for over \$17 million in financing, plus interest —supported by their rents—in order to secure the park's future. It is difficult to imagine that they would have undertaken such an obligation if they believed that, after repaying the entire debt, they would again be required to purchase the property at its future market value.

Nearly three decades later, the financial obligations that justified the City's continued ownership are largely satisfied. The City therefore has an opportunity to complete what was begun in 1996.

By promptly beginning a thoughtful process to transition the park to the nonprofit ownership structure originally envisioned, the Council can both preserve long-term

affordable housing and affirm the foresight shown by the City leaders who structured the original transaction.

Few communities have the opportunity to finish an affordable housing success story that began nearly thirty years earlier. Novato does.

I respectfully urge the Council to seize that opportunity.

Thank you for your consideration.

Respectfully submitted,

BHM

CC: City Manager
Enclosure (Rod Wood Statement)

Statement of Rod Wood Regarding City of Novato Decisions Related to the Purchase of Marin Valley Mobile Home Park

I am Rod Wood, and I served as City Manager of Novato, California, from 1993 to 2004. I was directly involved in the purchase and financing of the Marin Valley Mobile Home Park (MVMHP) in 1996 and 1997. The City and Redevelopment Agency's involvement stemmed from deep concerns about the continuing affordability of spaces for tenants—many on limited incomes—and the risk of displacement if the park were sold or repurposed. It also reflected recognition of the inherent conflict between mobile home owners and park owners occupying the same physical space with fundamentally different interests.

The statements below reflect my best recollection and summary of the City's intentions in making the purchase.

1. The City was informed of residents' serious concerns about rising rents, inadequate maintenance, and rumors that the park might be sold for redevelopment. This was brought to our attention by Councilmember Pat Ecklund and others. Residents feared being forced to sell their mobile homes or face displacement. The City agreed to meet with resident representatives to explore options.
2. During those discussions, I noted the fundamental conflict of having two separate property owners (mobile home owners and park owner) sharing the same space. I referenced a similar situation in Escondido, where the city assisted residents in purchasing their mobile home park. This model appeared applicable to Marin Valley.
3. The City Council, acting through the Redevelopment Agency, decided to support residents in pursuing a similar arrangement while incorporating an affordable housing component for qualifying tenants. The Agency worked with resident

representatives and consultants to arrange financing and complete the purchase. To preserve the public purpose of the financing, the City could not precondition a transfer of ownership until the transaction closed. The City informed residents that, at the appropriate time after financing was secured, the park would be sold to a nonprofit entity at a nominal price to protect long-term affordability.

4. I kept the City Council informed at each key step, securing approvals for policy decisions, including the long-term intent to transfer the park to a nonprofit entity to maintain affordability for mobile home owners.
5. Financing was completed in 1997. Residents, through increased rents, were to pay off the debt in full over the subsequent years (with the loan fully satisfied by approximately 2027). There may be some incidental costs (e.g., sewer repairs) for which, if warranted, residents should reimburse the City, but the arrangement was effectively a “self-help” program: residents funded the purchase through their rent payments, with no net cost to the City beyond initial financing support.

Observation

Selling the park at market price to a private owner would be inconsistent with and contradict the public purpose that justified the City’s original intent and the assurances given to residents. It would reinstate the very affordability and displacement risks the City sought to eliminate in 1997. Placing elderly residents—many on limited incomes—in a position of facing market-rate rents or potential displacement from their homes would be contrary to principles of fair and ethical government. This is especially true when residents have already paid millions in increased rents to retire the debt.

The City effectively incurred no net cost through this arrangement and is not entitled to a significant windfall at the expense of vulnerable residents. Such a decision would raise serious ethical concerns and could be viewed as elder abuse. If placed on a ballot, I believe the community would overwhelmingly oppose it.

The City should honor its original intent and transfer the park to a nonprofit entity at cost to preserve affordability in perpetuity. This action would fully align with state law and the City’s Housing Element obligations to accommodate affordable housing.

Rod Wood City Manager, Novato (1993–2004)

_____ April __, 2026
Rod Wood