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**Cc:** Amy Cunningham <[acunningham@novato.gov](mailto:acunningham@novato.gov)>  
**Sent:** Wednesday, June 10, 2026 at 10:38:52 AM PDT  
**Subject:** Letter to City Council Regarding Transfer of the MVMCC Deed

To: Novato City  
Council

June 10, 2026

## SUMMARY

The Governing Agreements Substantially Limit the City's Ability to Withhold Consent to Transfer of the MVMCC Deed to a Qualified Charitable Entity.

## BACKGROUND

In earlier correspondence, you were provided information regarding the origins of the City's efforts to assist the residents of Marin Valley Mobile Country Club ("MVMCC" or the "Park") by the 1997 agreements between the City and MVMCC, the use of the Redevelopment Agency (RDA) and Novato Financing Authority (NFA) to obtain tax-exempt bond financing, the residents' commitment to retire the resulting debt through increased rent payments while preserving affordable housing, and evidence indicating that the parties contemplated an eventual transfer of the Park to a charitable entity that would continue to provide affordable housing into the future. (April 18 letter and Rod Wood Statement dated April 8, 2026.)

You have also been provided information explaining why such a transfer would not constitute a gift of public funds. (Letter of May 9, 2026)

Finally, with respect to the City Manager's claims regarding amounts allegedly owed by the Park, the City needs to provide a full accounting and supporting justification so that residents may evaluate those claims, any offsets and, if appropriate, satisfy any valid obligations. (Letter of May 26, 2026)

Some have observed that none of the materials discussed in my letters expressly require Novato to transfer title to the Park. Should that matter, when substantial evidence indicates that transfer of the deed was the original intent of the parties, that MVMCC has provided affordable housing as required, and that City documents repeatedly state that acquisition costs, debt service, operations, maintenance, and capital improvements have been funded through Park revenues rather than General Fund expenditures?

To date, the City has not identified any unreimbursed General Fund expenditures that would prevent consideration of a deed transfer to a charitable entity. Nor has the City identified a compelling contractual or policy basis for retaining ownership once the transfer conditions contemplated by the governing agreements have been satisfied nor justification for a transfer to a third party.

These facts provide substantial support for transferring title once the remaining loan balance has been retired - or sooner, if legally permissible - and a qualified nonprofit entity is prepared to accept ownership subject to appropriate affordability protections and other reasonable conditions.

MVMCC's reliance on this arrangement over the past twenty-nine years has been substantial. During that period, residents have funded debt repayment, contributed millions to reserve accounts, and paid numerous operational and capital expenses associated with the Park. Residents have paid nearly \$30 million in debt service alone. These facts provide important context in evaluating the parties' expectations and the equitable considerations surrounding future ownership.

## ARGUMENT

Augmenting the substantial equitable justification in MVMCC's favor, there are writings supporting the deed transfer to a charitable entity when affordability requirements are met. As discussed in the May 26 letter, in 2011 the City dissolved the RDA/NFA structure and assumed responsibility for MVMCC. In doing so, the City succeeded to the rights and obligations previously held by those entities with respect to the Park. The City therefore assumed the obligations contained in the In-Lieu-Of-Tax Agreement dated as of March 1, 1997, by and among The City of Novato, the PAC, and the NFA ("In-Lieu-Of-Tax Agreement") and the Housing Assistance Pledge Agreement and Declaration of Restrictive Covenants by and among the RDA, the PAC and the NFA of the same date ("Housing Agreement").

In 2012 the City retired all of the bonds when it refinanced the debt with the Bank of Marin loan. By doing so, the City preserved the contractual framework under which a transfer to a qualified successor entity was contemplated and could occur.

Importantly, the In-Lieu-Of-Tax Agreement contains a recital stating that the City expects to transfer and assign its rights, interests and obligations in MVMCC to a nonprofit corporation (Fifth Whereas). The City further represented that the recitals were "true and correct". (Section 1.02) This language provides direct evidence that transfer to a nonprofit was contemplated by the parties when the Agreement was executed. The Agreement is still in effect (Section 1.03) and contains a transfer provision that substantially limits the City's discretion to withhold consent once specified conditions have been satisfied.

Under Section 5.01, substituting the City for the RDA and the NFA, the "City covenants and agrees ...not to sell, transfer or otherwise dispose of MVMCC [but] consent shall not be unreasonably withheld by the City and **shall be given by the City** if (a) the purchaser or assignees shall certify that the continued operation of the Park shall comply with the [affordability] provisions of this Agreement and the Loan Agreement; (b) the City receives evidence reasonably satisfactory to the City that the purchaser or assignee shall be willing and capable of complying with the terms and conditions of this Agreement ...; (c) the purchaser or assignee executes any document reasonably requested by the City with respect to the assumption of the PAC's and City's obligations under this Agreement ... and delivers to the City an opinion of counsel for the transferee to the effect that each such document and this Agreement ... are valid, binding and enforceable obligations of such purchasers or assignee; and (d) such other

conditions are met as the City may reasonably impose to assure compliance by MVMCC with the requirements of this Agreement ....” (Emphasis added)

The Housing Agreement is still in effect (Section 1.03) and Section 5.02 (with the same substitutions) contains a similar transfer provision.

Under these Agreements, any reference to the City, the RDA and the NFA are deemed to include the successors or assigns thereof and binds them whether so expressed or not. (Section 6.01)

Accordingly, the agreements establishes a contractual framework governing transfer and substantially limits the City’s discretion to withhold consent when a proposed transferee reasonably satisfies the stated conditions.

This changes the analysis from one within the City’s reasonable discretion to one in which the City’s role appears focused on determining whether the contractual requirements have been satisfied.

The various documents previously considered by the Council, together with the two Agreements, provide context regarding the original purposes of the transaction, the affordability objectives that motivated it, and the mechanisms established to preserve those objectives over time.

Taken together, these materials establish a framework under which ownership may be transferred to a qualified successor willing to continue operating the Park in accordance with the affordability and other obligations established in the governing documents.

Accordingly, once the residents create a qualified nonprofit owner - whether a 501(c)(3) corporation, a resident housing cooperative, or other appropriate nonprofit structure - and that entity agrees in writing, supported by an opinion of counsel, to assume the applicable obligations, affordability requirements, and other reasonable conditions the City may impose, the governing agreements provide a pathway for transfer. At a minimum, those agreements substantially limit the City’s discretion to withhold consent once the stated conditions are satisfied.

## CONCLUSION

To facilitate discussion of the deed transfer, consider a process similar to the one successfully used 20 years ago during development of the Novato Campaign Finance Ordinance: Council promptly appoint two Council members, assisted by staff as necessary, meeting with two resident representatives and their advisors to develop a mutually acceptable agreement addressing transfer conditions, affordability protections, reserve funds, and any remaining issues. I say promptly, as time is an important consideration. Many of the residents are at least in their 70’s, and have spent years seeking a governance structure under which Park management is more responsive (consider, for example, the long-delayed clubhouse roof repair with its

increased costs), affordability protections are preserved, and the possibility of transfer to a for-profit owner unconstrained by those protections is reduced, if not eliminated.

The City's own actions demonstrate that these concerns are not hypothetical. On July 23, 2023, the City informed residents that it was considering a sale of MVMCC to a private party and any “conditions of sale would ultimately be determined by the City Council in its discretion”.

Similarly, the July 15, 2025, appraisal materials prepared for the City assumed, at Novato’s direction, a value for MVMCC without affordability restrictions. These examples illustrate why residents seek clarity regarding the Park's long-term future. These City actions may also have repercussions on unit sales.

After nearly three decades of resident-funded debt repayment, compliance with the governing agreements, and continued support for the affordability objectives underlying the original transaction, residents are reasonably seeking a timely resolution of the ownership issue. A cooperative effort between the City and the residents would provide an opportunity to resolve these issues in a manner consistent with the original purposes of the transaction and the interests of the community.

Respectfully submitted,

Bernie Meyers, Novato

CC: Novato City Manager