

Tenant Concerns/Fallacies

Background

Over 100 cities and counties in California have some form of a Space Rent Stabilization Ordinance. Saint Helena is an island in the middle of such ordinances. We need the same protection.

Note: This is an Opt-IN program— fully at the choice of the tenant.

The Calistoga and Napa parks have RSOs and they are not as “nice” as Vineyard Valley.

No correlation between RSO and park quality or value. Other parks have cheaper base rent and cheaper home values because of their inherent design, layout, lot size, amenities, and location. Other parks have price/rent competition compared to each other. VV is a monopoly business with unfettered pricing because of the lack of any competition.

Having an RSO in place would reduce the value of my home.

Not true. The added, long-term financial security afforded by an RSO would make your home JUST as valuable, if not MORE, to prospective buyers.

Vineyard Valley is a “family owned park”.

Not true. VV is owned by Vineyard Valley, LLC, a corporation with “over 40 shareholders.” (Greg Reynolds written admission.)

Greg Reynolds lives here and owns the park.

Not true. He is the Managing Partner (and a minority shareholder through the shares owned by his wife). The two McDonald daughters’ primary residences (where they vote) are in the East Bay.

Greg Reynolds has stated that he “has no intention of selling the park”.

Although he may not *personally* wish to sell the park, he does NOT control the wishes of the majority of his shareholders. Parks are a VERY ATTRACTIVE investment opportunity, providing high return rates due to their “captive tenants”. VV, llc., could be presented with an outside offer to buy and he would be legally compelled to take the offer to the shareholders. THEY could decide to sell. As the RSO process progressed, he has threatened that “selling the park”, even “closing the park” is a possibility (all fear tactics).

When my lease runs out, I can just get another one/extension at the same terms.

Not true. Although current convention seems to be that new leases are at the same yearly increase (and without a base rent increase), ownership is under NO obligation or restriction to do so. They could raise base rent AND yearly increase percentages at that time. Certainly, a new park owner would substantially increase rents!

Tenants under the RSO will bear the brunt of city imposed administrative fees.

Not true. The city has no intention of passing through fees at this time. Important to note: Calistoga residents pay 87 – 89 CENTS per month for their administration. Although Contra Costa County CAN pass through admin. fees, they have never done so, due to the minimal cost.

Tenants would be burdened by the cost of any litigation.

Not true. Legal costs for administering/adjudicating the RSO cannot be passed to tenants

Because of an RSO, ownership would let maintenance, and the beauty of the park decline.

This is not allowed under the California-State-Wide Mobile Home Residency Law & the provisions of the RSO, and complaints would be administered and rectified by The City. Any decline in services must trigger a decline in the allowable rent.

Tenants would bear 50% of the cost of “capital improvements”.

Most “Capital improvements”, by definition, are additional items NOT currently available, i.e.: a NEW, *second swimming pool*. All other issues are “repairs and maintenance” and are paid out of the aggregate base rents collected.

Recent capital improvements have been provided to residents at no pass-through cost.

The recent improvements are NOT “capital improvements” but, rather, deferred maintenance and refurbishment. They are NOT gifts to the tenants. Reynolds has admitted that in past years “the park had slipped” and also that “Dick (McDonald) saved a lot of money during that time.” The monies spent on “improvements” came out of retained earnings from collected (and saved) base rents.

Other communities (Willits, El Dorado County, etc.) have voted down RSOs because they are bad for tenants (Claim by Ownership’s lobbyist).

Not true. Tenant demand for RSOs was high. The municipalities elected to NOT pass the RSO because they were unwilling to administer the terms, something that St. Helena IS willing to administer. Citizens of El Dorado County are actively working to compel the acceptance of an RSO.

If the park is sold, there would be a property tax re-assessment that would result in increased base rents.

True. But this would be the case whether there was an RSO in place, or not.

Greg Reynolds has stated that “we are willing to work with residents that have financial hardships”.

What does this mean? Without any documentation, this offer is nebulous and wrought with litigational jeopardy should it be administered inconsistently or unfairly. Reynolds has already stated, “If they can’t afford to live here, we don’t want them.” He also suggested that the city shoulder the financial burden of providing a “rent subsidy program” in lieu of an RSO.

Existing “pass through fees” (Water, Sewer, Garbage, Paving) must be taken on “blind faith”.

Currently, there is no transparency to verify and justify the amounts of these charges. Ownership would have to illustrate and prove the calculations for these charges under the terms of the RSO. It is important to note that these fees (even Comcast) were once included in base rent!

Conclusion:

Having an RSO would protect us in the event of a park sale. It is an “OPT-IN” program that allows choice of Long-Term Leases, or the protection of the RSO – Don’t let Greg deny you your CHOICE.

Before the flood wall protection (\$32 million in city funds) the VV business was of diminished value. After, the capital value of the business skyrocketed. He needs to let go and let the city protect its Saint Helena Senior Housing options.

If Greg, as stated, has “no intention of selling the park...” why is he fighting this ordinance so vigorously (and expensively)? What is he hiding?