

# MCB CAMP PENDLETON MOBILE HOME PARK UPDATE

**25 May 2004**

# *Agenda*

- Background
- Status Update
- Next steps

# *Background*

- 29 Jul 03 HQMC letter announced plan to phase out mobile home parks in conjunction with Public-Private Ventures (PPVs)
  - Focus on families - Goal to permit owners to be bought out
  - Appraisals to consider location of mobile homes
  - Base commanders could authorize subletting prior to privatization if owners could not sell their mobile homes

# *History*

- Camp Pendleton II/Quantico PPV awarded 30 Sep 03
  - Included plan to buy out Quantico mobile home park residents
  - Has capability to add scope at Camp Pendleton and other locations (Yuma, 29 Palms, Kansas City)
  - Prior to 1st meeting with San Onofre park families, plan was to include the Camp Pendleton park in the Phase III option slated for 2006

# *Meeting Takeaways*

- Resident Requests Addressed:
  - Accelerate San Onofre Park privatization to permit earlier buyouts
  - Provide appraisal process details
  - Remaining families want to stay in San Onofre (schools, location, neighbors)
- Resident Request Conditionally Approved:
  - Look at options to appraise now and guarantee that buyout price. Partners have agreed provided there is no significant condition change.

# *Status Today*

- Congress & OSD approved PPV concept
  - Privatize and phase out Mobile Home Park.
    - Packaged with Yuma/San Mateo Point PPV slated for 30 Sep 04 award
- Congress & OSD approval of PPV negotiated agreement expected 30 Sep 04
  - Notification of intent to award on 30 Sep 04 to be made no later than Aug 2004
  - Funding needed for whole-park phase out and buyouts available after 30 Sep 04 award.

## *Status Today*

- Partners have agreed to pursue limited buyouts prior to full funding becoming available
  - Early buyouts limited to families transferring from the area or leaving active service

## *Mobile Home Appraising*

- Nationwide company to appraise mobile homes as if they would be resold in place. Appraisals to consider impact the location has on the resale price.
- Mark Johnson of Datacomp Appraisal Services can address questions about the mobile home appraising process

# *San Onofre Park Details*

- 248 Mobile Home Spaces – All Occupied.
- Requested appraisals complete – about one-half of the mobile homes
- Preliminary report:
  - Believe most have equity in their homes
  - Few have loan balances that exceed appraised value
- Owners of mobile homes who qualify for early buyout can begin scheduling closings

# *Mobile Home Buyout Process*

- PPV pays closing costs
- PPV covers any mortgage pre-payment penalties
- USMC pays for personal property moves and dislocation allowance per JFTR
- There are 3 scenarios...

# *Mobile Home Buyout Process*

- Scenario A - Homeowner accepts the PPV's purchase offer
  - A closing date and time will be set
  - If offer exceeds loan balance:
    - PPV will pay off the note holder, with the balance of proceeds remitted to the home seller
  - If loan balance exceeds offer:
    - A note may be executed between the seller and the PPV for the difference
      - The loan will be 0% interest with a maximum of 60 equal monthly payments

# *Mobile Home Buyout Process*

- Scenario A (Cont.)
  - After closing, the homeowner may continue to reside in the home for up to 90 days
    - An occupancy agreement will be signed at the closing
    - The occupant will continue to be responsible for home interior maintenance, the current monthly pad rent, home utilities and personal property insurance until the actual move-out date

# *Mobile Home Buyout Process*

- Scenario B: The homeowners believe the PPV's offer is too low -- initiate review and appeal process:
  - Owners request Datacomp review
    - Would need to provide any evidence in support of a higher value (submit in writing within 60 days of receipt of the appraisal)
  - Datacomp/USMC review supporting documentation
    - Notifies owner of the re-evaluation result within 10 days of receipt
  - If the Datacomp appraiser revises the value estimate upward, then the PPV's offer will be revised to equal that new value

# *Mobile Home Buyout Process*

- Scenario B – (Cont.)
  - If the homeowner remains unsatisfied with the Datacomp appraiser's final value estimate, the owner may hire his/her own appraiser and submit an appeal to Base Commander
  - Base Commander will respond within 30 days of receipt of owner's appraisal

# *Mobile Home Buyout Process*

- Scenario C: The homeowner wishes to retain the home
  - The home would need to be moved off the park no later than the park closure date at no cost to the owner
    - No closure date set for the San Onofre park
      - Will not close before 30 Sep 07 (1 year from original planned privatization date)
      - May remain open longer

# *Next Steps*

- Early buyout group:
  - Schedule closings if satisfied or begin appeal process if sale desired
- Remaining families:
  - Congressional notification of intent to award project to be made Aug 04 for 30 Sep 04 award
  - Buyouts can begin immediately after award if appraisal already complete
  - Would like feedback from families who have not yet had appraisals – when to schedule appraisals?

*Questions?*