

FRESNOLAND

Fresno pitches in \$3.5M for troubled mobile home park, but will the bankrupt company sell it?

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The city helped bring the residents of a litigation-ridden local mobile home park one step closer to ending their years-long dispute with their park owner, but other legal battles may be coming soon.

The Fresno City Council unanimously approved a resolution to give developer Self-Help Enterprises a one-time \$3.5 million subsidy to pursue the purchase of La Hacienda Mobile Estates from property owner Harmony Communities. The developer would keep the park open as affordable housing, saving it from the closure initially pursued by the park owner.

The vote was 6-0, with Councilmember Mike Karbassi being absent from Thursday's meeting.

The resolution comes weeks after the mobile home park owner, La Hacienda Mobile Estates, LLC., filed for Chapter 11 bankruptcy. It remained unclear Thursday whether the restructuring bankruptcy would affect any potential deal.

Residents of La Hacienda — once named Trails End Mobile Home Park — have been fighting to stay open for years following a deadly fire in 2021 that revealed to the city that the then park owner was managing the park with an expired operating license.

Mayor Jerry Dyer spoke to council before the planning department's presentation Thursday to thank the city for its effort in getting the park acquisition to this point.

"We've had a long-time challenge with the mobile home park," Dyer said. "This provides a long-term solution with Self-Help Enterprises purchasing the property thanks to a subsidy that we're able to provide of \$3.5 million towards this project. It is going to allow the residents of La Hacienda to have affordable housing at that location, that is guaranteed."

The project will include the acquisition of the 32 existing mobile homes in the park, the introduction of 26 new affordable housing units and minor maintenance, like sidewalk and facility repairs, according to the city's environmental assessment.

The \$3.5 million will come from the city's CAL-ICH and Encampment Resolution Funds.

The sale is expected to cost Self-Help Enterprises — a Visalia-based affordable housing developer — \$3.3 million, according to the city's documents. Self-Help Enterprises will also lease and manage the property once it's completed. They plan to have a total of 58 units, which will be reserved for households who make 15-80% of Fresno County's area median income.

Fresno County's median income is currently \$84,300, according to the United States Department of Housing and Urban Development's Income Limits tool.

The rehabilitation of the onsite facilities will begin in November, with an expected completion date of April 2025. However, it is still unknown how the current park owner's bankruptcy filing will affect the sale.

"We are working with your city attorneys. We're pretty confident in regards to that not stopping this project," said senior litigator for California Rural Legal Assistance Mariah Thompson — who represents many of the remaining park tenants. "I just want to thank you guys for continuing to fight with us and being with us to protect these residents until this goes forward."

A Fresno County Superior Court judge granted the park tenants legal protections against evictions in March.

Councilmember Garry Bredefeld — whose district houses the mobile home park — asked what reassurances the city had to make sure Self-Help Enterprises doesn't turn around and engage in bad faith development management.

Phil Skei, assistant director of the planning and development department, assured the council that safeguards are included in the agreement, including the city having the right to pursue litigation and the reimbursement of their \$3,5 million funding.

"It's fair to say that the owners of the mobile home park bamboozled the city and its residents and left us with a very difficult scenario, yet we didn't walk away," said councilmember Miguel Arias. "We committed to finding a permanent solution, Arias said. "I, again, apologize for having experienced what they've been through."

The city documents did not make it clear the timeline for a sale, or when the purchase would take place.