



# DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

October 7, 2014

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Marin County Board of Supervisors  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT:** Purchase and Sale Agreement for real property at 6690 Sir Francis Drake Boulevard, Forest Knolls between the County of Marin and LBB3, LLC.

Dear Board Members:

**RECOMMENDATION:** 1) Approve and authorize the President to execute the Purchase and Sale Agreement; and 2) Approve and authorize the President to execute the Certificate of Acceptance of Grant of Interest in Real Property from LBB3, LLC.

**SUMMARY:** The Forest Knolls Trailer Court is a 20 unit mobile home park owned by LBB3, LLC (LBB3). Currently 19 of the 20 mobile home spaces are occupied by mobile home owners who rent their space from LBB3. LBB3 has offered to sell the property to the County for \$1,395,000. At the direction of your Board the Real Estate Division in concert with the Community Development Agency has negotiated the enclosed Purchase and Sale Agreement. The agreement contains all terms and conditions of the sale including a \$10,000 earnest money refundable deposit upon approval of the agreement, a 30 day due diligence period and a closing date of no later than December 5, 2014.

The Trailer Court currently offers below market rate rentals. Currently, the mobile home park provides below market space rents, with the majority of the spaces renting for \$575 per month, with larger spaces renting up to \$900 per month. An initial survey of space rents in mobile home parks found trailer space rents as high as \$1,850 per month in Contempo Marin, San Rafael. Acquisition of the property will protect an existing source of affordable homes, while continuing to provide homeownership opportunities for low income residents. Since this investment would preserve affordable housing, the County will study the current tenant composition to determine the portion of funding that would be appropriately provided by the County's affordable housing trust.

The San Geronimo Valley Affordable Housing Association (the Association), a local non-profit which owns and operates senior affordable housing in Forest Knolls, is interested and actively pursuing a role in facilitating the preservation of the Forest Knolls Trailer Court as long term affordable housing. The Association intends to take over management of the property as soon as the sale is finalized and to purchase the property from the County after a due diligence period which is estimated to last approximately 3 months.

During this time, they will seek financing from the Marin Community Foundation based on existing rental income and complete estimates for the costs of infrastructure improvements including repaving and a new septic system.

County Counsel has reviewed and approved the attached documents as to form.

**FISCAL IMPACT:** Initially, the \$1,395,000 purchase of this property will be funded from the General Fund's one-time reserve account, which currently has \$10.9 million in available fund balance. A \$10,000 earnest money refundable deposit is required within 14 days of agreement approval. Approval of the Purchase and Sale Agreement shall constitute approval of the use of funds as specified for the purchase.

Once a study of the tenant composition is complete, the one-time reserve account will be replenished by a combination of the affordable housing trust and loan proceeds based on the rental income of the property. We expect the repayment of the one-time reserve to take place within 6 months.

**REVIEWED BY:**

<input checked="" type="checkbox"/>	Department of Finance	<input type="checkbox"/>	N/A
<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
<input checked="" type="checkbox"/>	County Administrator	<input type="checkbox"/>	N/A
<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,

  
  
Eric Lueder  
Chief Real Property Agent  
Real Estate Division

  
Leelee Thomas  
Principal Planner  
Community Development Agency

Attachments:

1. Purchase and Sale Agreement
2. Certificate of Acceptance

Merit Document Number: 100022085

