
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

CONSENT AGENDA ITEM No. 6

DATE: **October 9, 2013**

TO: **Local Agency Formation Commission**

FROM: **David E. Fey, AICP, Executive Officer**

SUBJECT: **Consider Approval – Requests for One-Year Extension to Complete Proceedings for:**

A. **City of Fresno “Kings Canyon-Minnewawa No. 3 Reorganization” (LAFCo File No. RO-06-27).**

B. **City of Fresno “California-Temperance No. 3 Reorganization” (LAFCo File No. RO-06-28).**

C. **City of Fresno “Shields-Polk No. 4E Reorganization” (LAFCo File No. RO-06-32).**

D. **City of Orange Cove “Jacobs-South Reorganization (Del Rey Villas, LLC.)” (LAFCo File No. RO-09-3).**

Recommendation: Approve One-Year Extensions

State law requires that all reorganization proceedings shall be completed within one year of approval unless the Commission grants an extension of time prior to the expiration date. Failure to grant an extension will terminate the proceedings.

In accordance with *Fresno LAFCo Policies, Standards, and Procedures* Section 315-03, extensions of time may be granted when the imminent need for the proposal still exists, the project is still viable, and progress is being made toward completion. The Commission’s Policies further state that the Commission may consider economic hardships beyond the control of the proponents as justification supporting the extension request.

Past experience has shown that it is not uncommon for reorganizations to take longer than the initial one-year approval to be completed, and that one or more extensions of time may be required to fulfill all conditions of approval.

A. City of Fresno “Kings Canyon-Minnewawa No. 3 Reorganization”

Parties of Interest:

Robert & Masako Mochizuki	Paul Atmajian	City of Fresno
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Summary:

The subject reorganization was approved on October 11, 2006, but has not been completed. Giannetta Engineering has requested an extension for this proposal. This will be the seventh extension.

Project Description:

The affected territory is located at the southwest corner of E. Kings Canyon Road and S. Minnewawa Avenue. The reorganization consists of the annexation of 19.07 acres to the City of Fresno and detachment from the Fresno County Fire Protection District and the Kings River Conservation District. Development of a 17-lot single-family residential subdivision is planned on an 8.73-acre portion of the territory.

Reasons for Request and Actions Taken to Date:

The applicant has indicated that the final tract map and improvement plans have been filed with the City and the project has been graded. The applicant also indicated that the recording of the final map, payment of fees, and the posting of security has been delayed due to the current economic conditions and until there is a reduction in the inventory of existing improved lots, the project cannot proceed.

Staff Analysis:

Gary Giannetta, Project Engineer, has requested this time extension and the City of Fresno supports the extension. Pursuant to Commission Policies, the City confirms that since this reorganization’s approval in 2006, there have been no changes or circumstances in the vicinity of the affected territory that could affect its suitability for annexation.

Based on this information, it does appear that circumstances beyond the control of the City and the developer, including economic hardships due to the current economic conditions, have caused a delay in finalizing this reorganization. Craig Agabashian, Administrative Manager, Development and Resource Management Department, for the City of Fresno has responded that this project is still viable and that the tract map and zoning approvals are effective until July 20, 2014. The City supports the proposed extension.

This project lies in the Fresno County Fire Protection District. The District and the City of Fresno do not currently have a fire transition agreement as required by the Commission’s Transition Policy. Fresno has advised staff that it intends to deal with its annexations on a case-by-case basis and that there are no immediate plans to negotiate a comprehensive transition agreement with the District. Fresno recognizes that it will eventually participate in the negotiation/mediation process as described in the policy and until then it will not object if the developer works directly with the Fire District to develop transition conditions of approval for the Commission’s consideration. Fresno recognizes that the extension is limited to one year and will advise the developer that unless it moves forward with the proposed projects, the city will not support a subsequent extension.

Based on these circumstances, staff supports an additional one-year extension.

B. City of Fresno “California-Temperance No. 3 Reorganization”

Parties of Interest:

Elizabeth Hudson	Pulte Homes (Centex Homes)
Will Washburn, Provost & Pritchard	City of Fresno

Summary:

The subject reorganization was approved on October 11, 2006, but has not been completed. Provost and Pritchard, on behalf of Pulte Homes, has requested an extension. This is the seventh request for extension.

Project Description:

This affected territory is located south of E. California Avenue, east of S. Armstrong Avenue, and west of S. Temperance Avenue. The reorganization consists of the annexation of 82.5 acres to the City of Fresno and detachment from the Fresno County Fire Protection District and the Kings River Conservation District. Centex Homes is planning to build a 328-lot single-family residential subdivision within the affected territory.

Reasons for Request and Actions Taken to Date:

The grading, sewer, and water improvement plans have been approved by the city of Fresno and the final map has been reviewed. A significant amount of offsite improvement work has also been completed, including installation of collector sewer mains in Church and Armstrong Avenues. Pulte Homes is hopeful to be able to move forward with this project in the near future.

Staff Analysis:

Will Washburn, Provost & Pritchard, requested a one-year extension on behalf of their client, Pulte Homes (formerly Centex Homes). He stated that Pulte Homes to date has been unable to satisfy the conditions of approval for this annexation due to market conditions. Pursuant to Commission Policies, the City confirms that since this reorganization's approval in 2006, there have been no changes or circumstances in the vicinity of the affected territory that could affect its suitability for annexation.

Based on this information, it does appear that circumstances beyond the control of the City and the developer, including economic hardships due to the current economic conditions, have caused a delay in finalizing this reorganization. Craig Agabashian, Administrative Manager, Development and Resource Management Department, for the City of Fresno has responded that this project is still viable and that the tract map and zoning approvals are effective until November 14, 2015. The City supports the proposed extension.

This project lies in the Fresno County Fire Protection District. The District and the City of Fresno do not currently have a fire transition agreement as required by the Commission's Transition Policy. Fresno has advised staff that it intends to deal with its annexations on a case-by-case basis and that there are no immediate plans to negotiate a comprehensive transition agreement with the District. Fresno recognizes that it will eventually participate in the negotiation/mediation process as described in the policy and until then it will not object if the developer works directly with the Fire District to develop transition conditions of approval for the Commission's consideration. Fresno recognizes that the extension is limited to one year and will advise the developer that unless it moves forward with the proposed projects, the city will not support a subsequent extension.

Based on these circumstances, staff supports an additional one-year extension.

C. City of Fresno “Shields-Polk No. 4E Reorganization”

Parties of Interest:

Edenbridge Investments Inc.	Alfredo & Corrine Flores
City of Fresno	Jeff O’Neal, Provost & Pritchard Engineering

Summary:

The subject reorganization was approved on October 11, 2006, but has not been completed. Edenbridge, Inc. has requested a one-year extension. This is the seventh request for extension.

Project Description:

The affected territory is located on the west side of N. Polk Avenue, approximately one-quarter mile south of its intersection with W. Dakota Avenue. The reorganization consists of the annexation of 9.61 acres to the City of Fresno and detachment from the North Central Fire Protection District and the Kings River Conservation District. The developer is planning to build a 40-lot single-family residential subdivision within the affected territory.

Reasons for Request and Actions Taken to Date:

The developer (Edenbridge, Inc.) has indicated that they have purchased the property, obtained a Vesting Tentative Tract Map and Conditional Use Permit from the City, and have processed grading, storm drainage, sewer, water, gas and electric, street, street light, and landscape improvement plans.

Eric Zweig, the Project Manager says they remain committed to the project, but will need additional time to put the construction financing together as the Fresno new homes sales market stabilizes.

Staff Analysis:

Eric Zweig has requested this time extension on behalf of Edenbridge, Inc. Pursuant to Commission Policies, the City confirms that since this reorganization’s approval in 2006, there have been no changes or circumstances in the vicinity of the affected territory that could affect its suitability for annexation.

Based on this information, it does appear that circumstances beyond the control of the City and the developer, including economic hardships due to the current economic conditions, have caused a delay in finalizing this reorganization. Craig Agabashian, Administrative Manager, Development and Resource Management Department, for the City of Fresno has responded that this project is still viable and that the tract map and zoning approvals are effective until March 29, 2015. The City supports the proposed extension.

This project lies in the North Central Fire Protection District, for which the District and the City have a transition agreement in place. Fresno recognizes that the extension is limited to one year and will advise the developer that unless it moves forward with the proposed projects, the city will not support a subsequent extension.

Based on these circumstances, staff supports an additional one-year extension.

D. City of Orange Cove “Jacobs-South Reorganization (Del Rey Villas, LLC)”

Parties of Interest:

Del Rey Villas, LLC. (Hormuz Faryab, President)	City of Orange Cove	Rubio Martin
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Summary:

The subject reorganization was approved on November 4, 2009, but has not been completed. Hormuz Faryab, the developer, has requested an extension for this proposal. This will be the fourth extension.

Project Description:

The affected territory is located at the southwest corner of S. Jacobs and E. South Avenues. The reorganization consists of the annexation of 79.8 acres to the City of Orange Cove and detachment from the Orange Cove Irrigation District. Del Rey Villas, LLC proposes development of a 768 unit Planned-Residential Development consisting of 394 apartment units, 168 townhouses, and 206 single-family residences. A 3.8-acre area is to be set-aside as a drainage easement/park. Approximately 10 acres of the affected territory located adjacent to Jacobs Avenue is not proposed for development.

Reasons for Request and Actions Taken to Date:

Besides economic conditions not being favorable the developer indicated that the City is in violation with the State for both the drinking water and the waste water treatment plants. The City needs to clear up the “backwash water from the City Drinking Water Treatment Plant” which runs in the vicinity of the project area as well as expand the plant to have sufficient capacity to serve the project. The City has indicated they have received a Community Development Block Grant to begin construction on the treatment plant early next year to deal with the backwash water issue and remove the Notice of Violation.

Tentative Tract Map No. 5940 approved for the affected territory is set to expire in 2014. The developer remains optimistic that the economic and market conditions will improve to allow this project to move forward prior to its expiration.

Staff Analysis:

The developer has indicated that there have been no changes or circumstances in the vicinity of the affected territory that could affect its suitability for annexation. The City supports the extension.

Staff believes that circumstances beyond the control of the City and the proponent (including economic hardships due to the current economic conditions) have caused a delay in completing this reorganization. The developer has stated that this project is still viable and requests approval of the extension. Staff supports the extension request.

The Following Have Received Copies of This Report:

- LAFCo Commissioners and Alternates
- Ken Price, LAFCo Counsel, Baker, Manock, and Jensen
- Will Kettler, Planning Manager, Fresno County Public Works and Planning
- Bernard Jimenez, Deputy Director of Planning Public Works and Planning
- John Hernandez, Fresno County Public Works and Planning
- Bruce Rudd, City Manager, City of Fresno
- Jennifer Clark, Director, DARM
- Keith Bergthold, Assistant Director, DARM
- Mike Sanchez, Manager, DARM
- Trai Her, City of Fresno
- Craig Agabashian, Administrative Manager, City of Fresno
- Gary Giannetta, Giannetta Engineering
- Eric Zweig, Edenbridge, Inc.
- Jeff O'Neal, Provost & Pritchard
- Samuel Escobar, City Manager, City of Orange Cove
- Hormuz Faryab, Del Rey Villas, LLC
- David Orth, Kings River Conservation District
- Chief Keith Larkin, Fresno County Fire Protection District
- Andy Cosentino, Fresno County Fire Protection District
- Ray Franklin, Fresno County Fire Protection District
- Fergus Morrissey, Orange Cove Irrigation District
- Joe Barcelos, North Central Fire Protection District
- Will Washburn, Provost & Pritchard

**GARY GIANNETTA
CONSULTING CIVIL ENGINEER
1119 "S" STREET
FRESNO, CA 93721
(559) 264-3590
(559) 264-0696 FAX**

September 25, 2013

Mr. David Fey
Executive Officer
LAFCO
2115 Kern Street, Suite 310
Fresno, CA 93721

Re: Tract 5387 LAFCO

Dear Mr. Fey:

This letter is a request for a one-year extension for the Kings Canyon-Minnewawa No. 3 Reorganization. We have submitted the final tract map, Tract No. 5387, whose tentative map expires July 20, 2014, and the improvement plans which are being processed.

Although the project has been graded, the recording of the final map, payment of fees and posting of security has been delayed due to the current economic conditions. Until there is reduction in the inventory of existing improved lots, which we have seen an increase in the absorption rate over the last year, the project can not proceed.

Please call me if you need any other information.

Sincerely,



Gary Giannetta
Project Engineer

Cc: Paul Atmajian
Craig Agabashian
Keith Bergthold





Development and Resource Management Department

2600 Fresno Street, Third Floor, Room 3065
Fresno, California 93721-3604
(559) 621-8003, FAX (559) 498-1012

Jennifer K. Clark, AICP
Director

September 27, 2013

Mr. David E. Fey
Executive Officer
Fresno Local Agency Formation Commission (LAFCo)
2607 Fresno Street, Suite B
Fresno, CA 93721

SUBJECT: EXTENSION OF KINGS CANYON - MINNEWAWA No. 3 REORGANIZATION

Dear Mr. Fey:

This is in response to your letter to Bruce Rudd, dated August 9, 2013, which provided the City of Fresno notification of the approaching expiration of approved Kings Canyon-Minnewawa No. 3 Reorganization. The City supports an extension of this Reorganization by the Fresno Local Agency Formation Commission (LAFCo).

Although economic conditions have prevented many approved housing developments from beginning construction, the City of Fresno's General Plan Housing Element and regional population forecasts continue to indicate the need for the completion of these approved housing developments.

City of Fresno development entitlements dependent upon the annexation include conditionally approved Tentative Tract Map No. 5387 and affiliated zoning approvals (Rezone Application No. R-04-64 and Conditional Use Permit C-04-170). These approvals are scheduled to remain in effect until July 20, 2016 via several discretionary and statutory extensions. Given the developer Paul Atmajian continues to desire to move forward with this project, the associated entitlements are considered to be active and the General Plan documents and forecasts continue to indicate the need for completion of these types of housing developments, the City of Fresno supports an extension of this Reorganization.

Please note that the City of Fresno's support of the one-year extension of this approved reorganization is not to be construed as indicating support for the Fire Transition policy.

Please contact Craig Agabashian, Administrative Manager, at 621-8005 or Keith Bergthold, Assistant Director, at 621-8003 with any questions you may have.

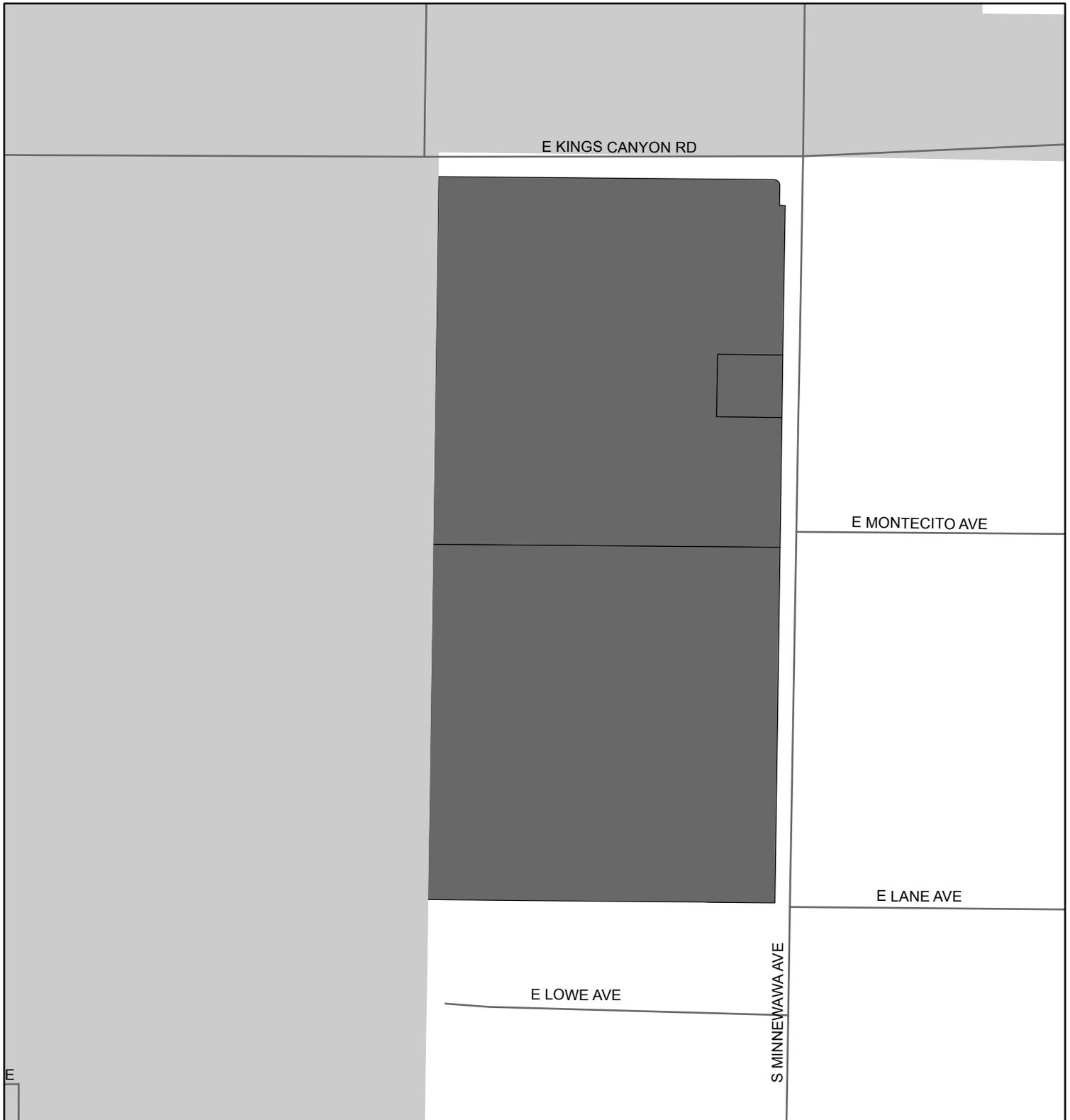
Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer K. Clark".

Jennifer K. Clark, AICP
Director

Cc. Bruce Rudd, City Manager

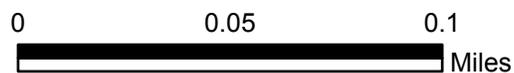
EXHIBIT "A"



Legend

-  City Limits
-  Affected Territory

City of Fresno "Kings Canyon-
Minnewawa No. 3 Reorganization"
LAFCo File No. RO-06-27



September 25, 2013

David Fey, AICP
Executive Officer
Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, CA 93721

Subject: California-Temperance No. 3 Reorganization

Dear Mr. Fey:

On behalf of our client, Pulte Homes (formerly Centex Homes), Provost & Pritchard Consulting is requesting a one-year extension to the approval of the California-Temperance No. 3 Reorganization. Due to market conditions, Pulte has been unable to satisfy the conditions of approval for this annexation. This project was most recently granted a one-year extension valid through October 11, 2013.

Since the approval of this reorganization, the unprecedented decline in the housing market has shown little sign of improvement, although of late, there are indications of an upswing. Vesting Tentative Tract Map No. 5531 was approved by the City of Fresno Planning Commission on November 14, 2005. Through a discretionary extension granted by the Planning Commission, VTTM No. 5531 was extended through November 14, 2009. It is our understanding that this map was also subject to the legislative extensions granted by CA Govt. Code §§66452.21, 66452.22, 66452.23, and 66452.2. As such, the approved tentative map is valid through November 14, 2016. To date, the grading, sewer, and water improvement plans have been approved by the City of Fresno, and the final map has been reviewed. Additionally, a significant amount of offsite improvement work has been completed, including installation of collector sewer mains in Church and Armstrong Avenues.

Given the possibility that Pulte Homes will be able to move forward with this project in the near future, we request that LAFCo grant an additional one-year extension. Enclosed is a check in the amount of \$750 for processing. Please do not hesitate to contact me at 559.449.2700 or at wwashburn@ppeng.com with any questions. Thank you.

Sincerely,



William Washburn, PE
Provost & Pritchard



Development and Resource Management Department

2600 Fresno Street, Third Floor, Room 3065
Fresno, California 93721-3604
(559) 621-8003, FAX (559) 498-1012

Jennifer K. Clark, AICP
Director

September 27, 2013

Mr. David E. Fey
Executive Officer
Fresno Local Agency Formation Commission (LAFCo)
2607 Fresno Street, Suite B
Fresno, CA 93721

SUBJECT: EXTENSION OF CALIFORNIA TEMPERANCE No. 3 REORGANIZATION

Dear Mr. Fey:

This is in response to your letter to Bruce Rudd, dated August 8, 2013, which provided the City of Fresno notification of the approaching expiration of approved California Temperance No. 3 Reorganization. The City supports an extension of this Reorganization by the Fresno Local Agency Formation Commission (LAFCo).

Although economic conditions have prevented many approved housing developments from beginning construction, the City of Fresno's General Plan Housing Element and regional population forecasts continue to indicate the need for the completion of these approved housing developments.

City of Fresno development entitlements dependent upon the annexation include conditionally approved Tentative Tract Map No. 5531 and affiliated zoning approvals (Rezone Application No. R-05-84 and Conditional Use Permit C-05-218). These approvals are scheduled to remain in effect until November 16, 2016 via several discretionary and statutory extensions. Given the developer Pulte Homes continues to desire to move forward with this project, the associated entitlements are considered to be active and the General Plan documents and forecasts continue to indicate the need for completion of these types of housing developments, the City of Fresno supports an extension of this Reorganization.

Please note that the City of Fresno's support of the one-year extension of this approved reorganization is not to be construed as indicating support for the Fire Transition policy.

Please contact Craig Agabashian, Administrative Manager, at 621-8005 or Keith Bergthold, Assistant Director, at 621-8003 with any questions you may have.

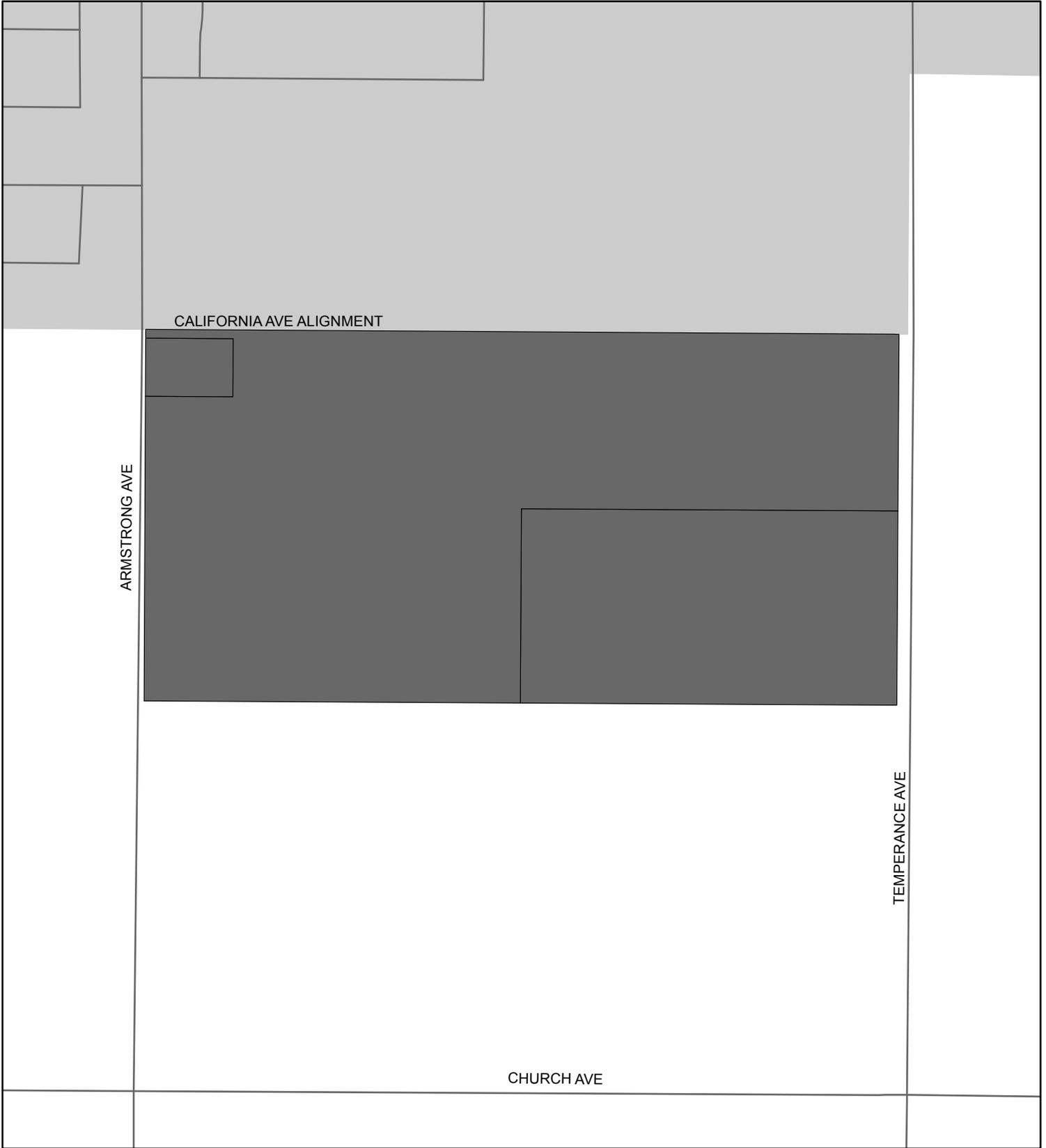
Sincerely,

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Jennifer K. Clark, AICP
Director

Cc. Bruce Rudd, City Manager

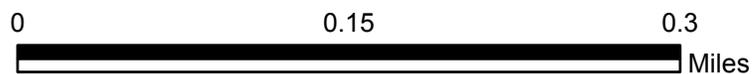
EXHIBIT "A"

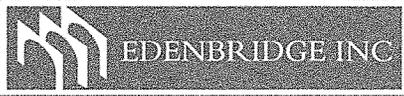


Legend

-  City Limits
-  Affected Territory

City of Fresno "California-Temperance
No. 3 Reorganization"
LAFCo File No. RO-06-28





153 Second Street, Suite 101
Los Altos, CA 94022-2825
Telephone: 650.917.1311 Fax: 650.917.1312
www.edenbridgehomes.com



VIA FEDERAL EXPRESS

September 23, 2013

REFERENCE: **City of Fresno Shields-Polk No. 4E Reorganization Extension**
Fresno LAFCo File No. RO-06-32
City of Fresno Tract 5537
Fresno County Assessor's Parcel No. 511-021-17

Mr. David Fey
Executive Officer
Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, CA 93721

Dear Mr. Fey:

Edenbridge Homes is the owner of approximately nine (9) acres on the west side of N. Polk Avenue between W. Dakota and W. Shields within the Shields-Polk No. 4E Reorganization area. We are in receipt of Fresno LAFCo's August 9, 2013 notice regarding the expiration of the approval for this annexation, and would like to request a one-year extension to October 11, 2014.

Fresno LAFCo originally approved the Shields-Polk No. 4E Reorganization on October 11, 2006. Edenbridge has made significant progress toward completing a new 40-single family home subdivision on the property despite often difficult market conditions. We have purchased the property, obtained a Vesting Tentative Tract Map No. 5537 and Conditional Use Permit from the City of Fresno, and processed Grading, Storm Drainage, Sanitary Sewer, Water, Gas & Electric, Street, Streetlight, and Landscape improvement plans through the City. The Vesting Tentative Map and related development entitlements are valid until March 29, 2015.

In order to record the Final Tract Map and complete the annexation, Edenbridge needs to pay engineering and City fees, post bonds for the subdivision improvements, and acquire right-of-way from neighboring property owners for the widening of N. Polk Avenue across the project frontage. We remain committed to the project and plan to secure the financing necessary to complete these steps and start construction.

Please contact me or the City of Fresno Planning & Development Department with any questions about the project status or this annexation approval extension request.

Sincerely,

A handwritten signature in black ink that reads "Eric Zweig". The signature is written in a cursive style with a large, looping "E" and a long, sweeping "Z".

Eric Zweig
Project Manager
Edenbridge, Inc.

Encl. (3): \$480.00 Application Processing Fee
 LAFCo Letter to City re: Shields-Polk No. 4E Reorganization, 8-9-13
 County Assessor's Parcel Map

CC: Candace Fleming, Fresno LAFCo (electronic)
 Craig Agabashian, City of Fresno Planning & Development (electronic)
 Jeff O'Neal, Provost & Pritchard Engineering Group (electronic)



Development and Resource Management Department

2600 Fresno Street, Third Floor, Room 3065
Fresno, California 93721-3604
(559) 621-8003, FAX (559) 498-1012

Jennifer K. Clark, AICP
Director

September 27, 2013

Mr. David E. Fey
Executive Officer
Fresno Local Agency Formation Commission (LAFCo)
2607 Fresno Street, Suite B
Fresno, CA 93721

SUBJECT: EXTENSION OF SHIELDS POLK No.4E REORGANIZATION

Dear Mr. Fey:

This is in response to your letter to Bruce Rudd, dated January 9, 2013, which provided the City of Fresno notification of the approaching expiration of approved Shields-Polk No. 4E Reorganization. The City supports an extension of this Reorganization by the Fresno Local Agency Formation Commission (LAFCo).

Although economic conditions have prevented many approved housing developments from beginning construction, the City of Fresno's General Plan Housing Element and regional population forecasts continue to indicate the need for the completion of these approved housing developments.

City of Fresno development entitlements dependent upon the annexation include conditionally approved Tentative Tract Map No. 5537 and affiliated zoning approvals (Rezone Application No. R-05-67 and Conditional Use Permit C-05-195). These approvals are scheduled to remain in effect until March 29, 2017 via several discretionary and statutory extensions. Given the developer Edenbridge Homes remains committed to the project, the associated entitlements are considered to be active and the General Plan documents and forecasts continue to indicate the need for completion of these types of housing developments, the City of Fresno supports an extension of this Reorganization.

Please note that the City of Fresno's support of the one-year extension of this approved reorganization is not to be construed as indicating support for the Fire Transition policy (although recognizing this reorganization is not located in the Fresno County Fire Protection District).

Please contact Craig Agabashian, Administrative Manager, at 621-8005 or Keith Bergthold, Assistant Director, at 621-8003 with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer K. Clark".

Jennifer K. Clark, AICP
Director

Cc. Bruce Rudd, City Manager

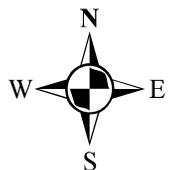
EXHIBIT "A"



Legend

-  City Limits
-  Affected Territory

City of Fresno "Shields-Polk
No. 4E Reorganization"
LAFCo File No. RO-06-32



DEL REY VILLAS, LLC
C/O PRIMELAND MANAGEMENT COMPANY
1801 AVENUE OF THE STARS, SUITE 1404
LOS ANGELES, CA 90067
(310) 788-5858 Telephone / (310) 788-5960 Fax



September 4, 2013

Mr. David E. Fey, AICP
Executive Officer
Local Agency Formation Commission (LAFCO)
2607 Fresno Street, Ste. B
Fresno, CA 93721

RE: "Jacobs-South Reorganization (Del Rey Villas LLC) for LAFCO File No. RO-09-3"

Dear Mr. Fey:

Per your letter correspondence of August 9, 2013, we respectfully request that LAFCo move forward to approve a one year extension of the above Tract Map Conditional Annexation originally approved by the City of Orange Cove in October 2009. We are the owners and developers of the above property. Per the attached August 9, 2013 letter from LAFCo, a response is required by September 28, 2013. This is required in order to be considered for extension of time to meet the final LAFCO/City of Orange Cove conditions for completion.

The following information is provided to address requirements for extension of conditional approval.

1. **Progress made ... during the past year.**
Progress has been limited, due in part to existing market conditions, and the fact that the City is in the process of addressing current water management issues dealing with violation letters with the State of CA for both the Drinking Water Treatment Plant and the City Waste Water Treatment Plant system.
2. **Any circumstances that ... suitability for annexation.**
No circumstances have changed in the vicinity of the project area directly. However, the City is under notice from the State of CA, to clear up "backwash water from the City Drinking Water Treatment Plant" of which a channel of water runs through our property within the "Jacobs-South Reorganization" area. This violation issue occurred subsequent to our City and LAFCo annexation approvals, in 2009. We understand that the City is taking action to this issue, and we look forward to working with City to mitigate any negative impacts on our annexation and development of the project.
3. **Action taken by the proponent... within the extension period.**
There is history by our development to initiate construction and development of portions of our project. In 2010, meetings were held with City staff and City Engineer to broach the possibility of moving forward with construction and development of an initial Phase

1 – 56 single family detached homes. We were advised that the local City water treatment plant capacity was insufficient to address our need for initial development of these proposed homes. The pipeline for other subdivision Tract development homes indicated that it was not feasible for us to move forward with our prospect plans, at that time. This has become more difficult given the city's current water management issues.

4. **If a condition of approval ... and date that it will expire.**

The tentative track map # 5940 is set to expire in 2014, based on legislation approved the State of CA, extending the life of Tentative Tract Maps due to the poor real estate conditions existing in the state overall.

5. **If proponent is unable ... presence of adversarial market or economic condition justify the extension.**

Based on current research and common knowledge, the Orange SFR home market is extremely slow. Regional and local real estate single family home sales trends are all the same. We estimate that current SFR building construction permits issued by the City are less than 1 to 2 permits monthly, at best. In fact, we understand that the existing Orange Cove SFR home builders have been approaching the City for public down payment subsidy assistance programs for new home buyers, in order to help move the sale of new homes. The City is moving forward to implement these programs in an effort to address present RE market conditions.

We look forward to being able to develop our project. We will oblige by whatever the City's recommendations and requirements for the project as determined during the original City TTM and LAFCo Annexation Resolution Public Approval hearings. A response is requested back to LAFCO by September 28, 2013. A check is being forwarded to cover the extension fee request of \$750 to your offices immediately.

Sincerely Yours,



Hormoz Faryab
Managing Member
Del Rey Villas, LLC

Attachments:

LAFCO Correspondence, August 9, 2013, Subject "Jacobs-South Reorganization (Del Rey Villas, LLC)"

cc:

Mr. Samuel Escobar, City Manager, City of Orange Cove

Fleming, Candace Lynn

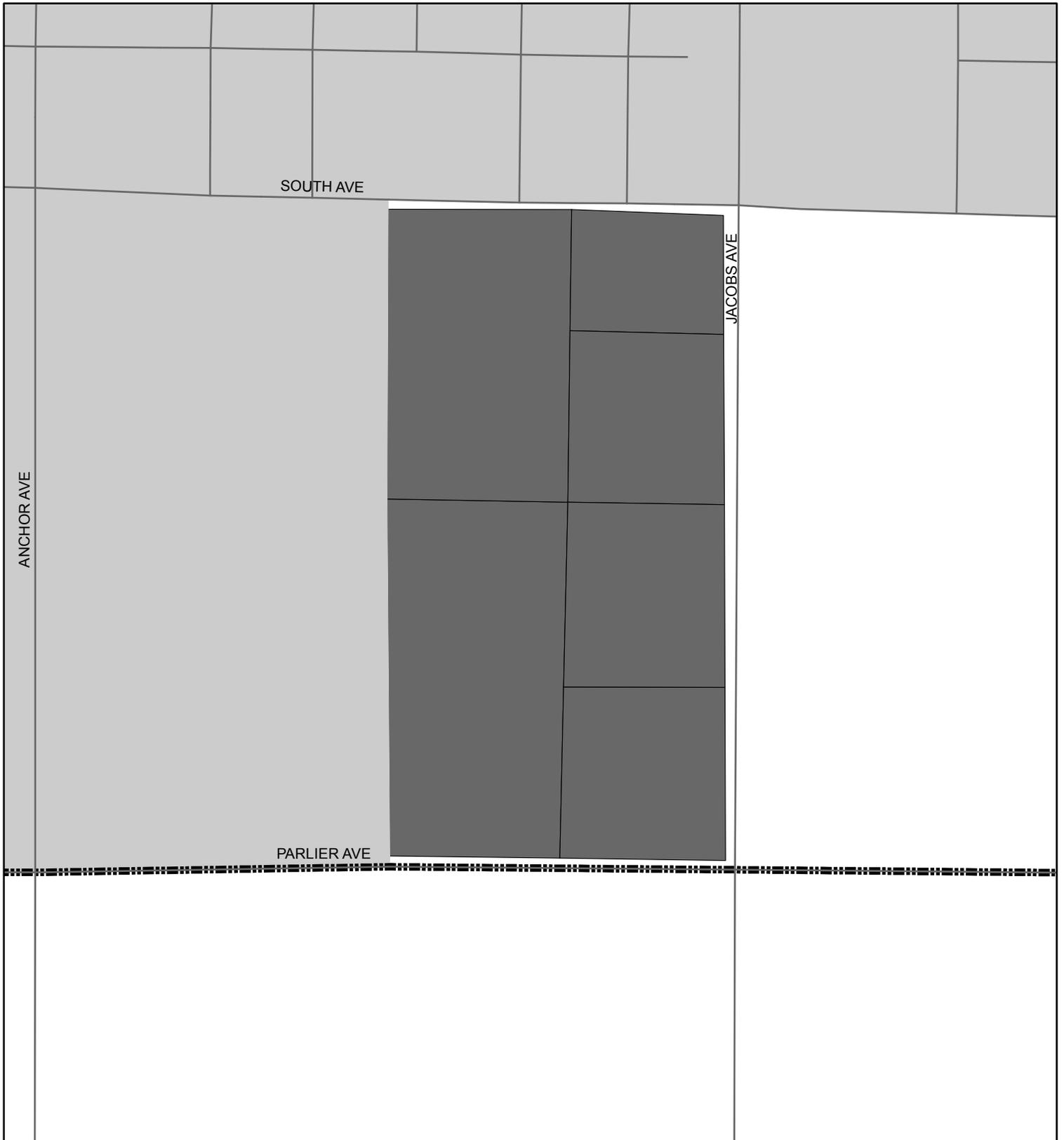
From: June Bracamontes <jb@cityoforange Cove.com>
Sent: Tuesday, October 01, 2013 2:07 PM
To: Fleming, Candace Lynn
Cc: SAMUEL ESCOBAR
Subject: LAFCO FILE NO. RO-09-3 DEL REY VILLAS, LLC

Candace: Please note, during a City Council Meeting of September 25, 2013, Council approved a one year extension of Jacobs-South Reorganization (Del Rey Villas LLC) for LAFCO File No. Ro-09-3.

Please send additional material as needed for processing. Thank you.

*June V. Bracamontes, City Clerk
City of Orange Cove
633 6th Street, Orange Cove, CA 93646
email: jb@cityoforange Cove.com
(559)626-4488 ext. 214 <><*

EXHIBIT "A"



Legend

-  Sphere of Influence
-  City Limits
-  Affected Territory

City of Orange Cove
"Jacobs-South Reorganization
(Del Rey Villas, LLC.)"
LAFCo File No. RO-09-3

