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

CONSENT AGENDA ITEM No. 7

DATE: September 8, 2010

TO: Local Agency Formation Commission

FROM: Jeff Witte, Executive Officer
Samantha Hendricks, LAFCo Technician

SUBJECT: Consider Approval – Request for One-Year Extension to Complete Proceedings for the City of Orange Cove “Jacobs-South Reorganization (Del Rey Villas, LLC.)” (LAFCo File No. RO-09-3).

Recommendation: Approve One-Year Extension

Summary:

The subject reorganization was approved on November 4, 2009, but has not been completed. 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. The City of Fresno and the project developer have requested an additional one-year extension of time. This is the first request for extension.

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.

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:

The developer has indicated that the City of Orange Cove is pursuing further funding for expansion of its water treatment facilities and must await the conclusion of this effort in order for the development to tie into the water facilities, which is a condition of approval. The developer has also indicated that they are unaware of any circumstances that have changed in the vicinity of the project since the proposal was approved that could affect suitability for annexation.

Staff Analysis:

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.

Additionally, in many recent cases the slowed economy has negatively affected the ability of proponents to timely complete projects. The City of Orange Cove indicates that is also the case with this proposal. The Commission's policies do allow for economic hardships to be considered as a justification for time extension requests.

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. It also appears that the City still believes this to be a viable project. Based on these circumstances, staff supports an additional one-year extension.

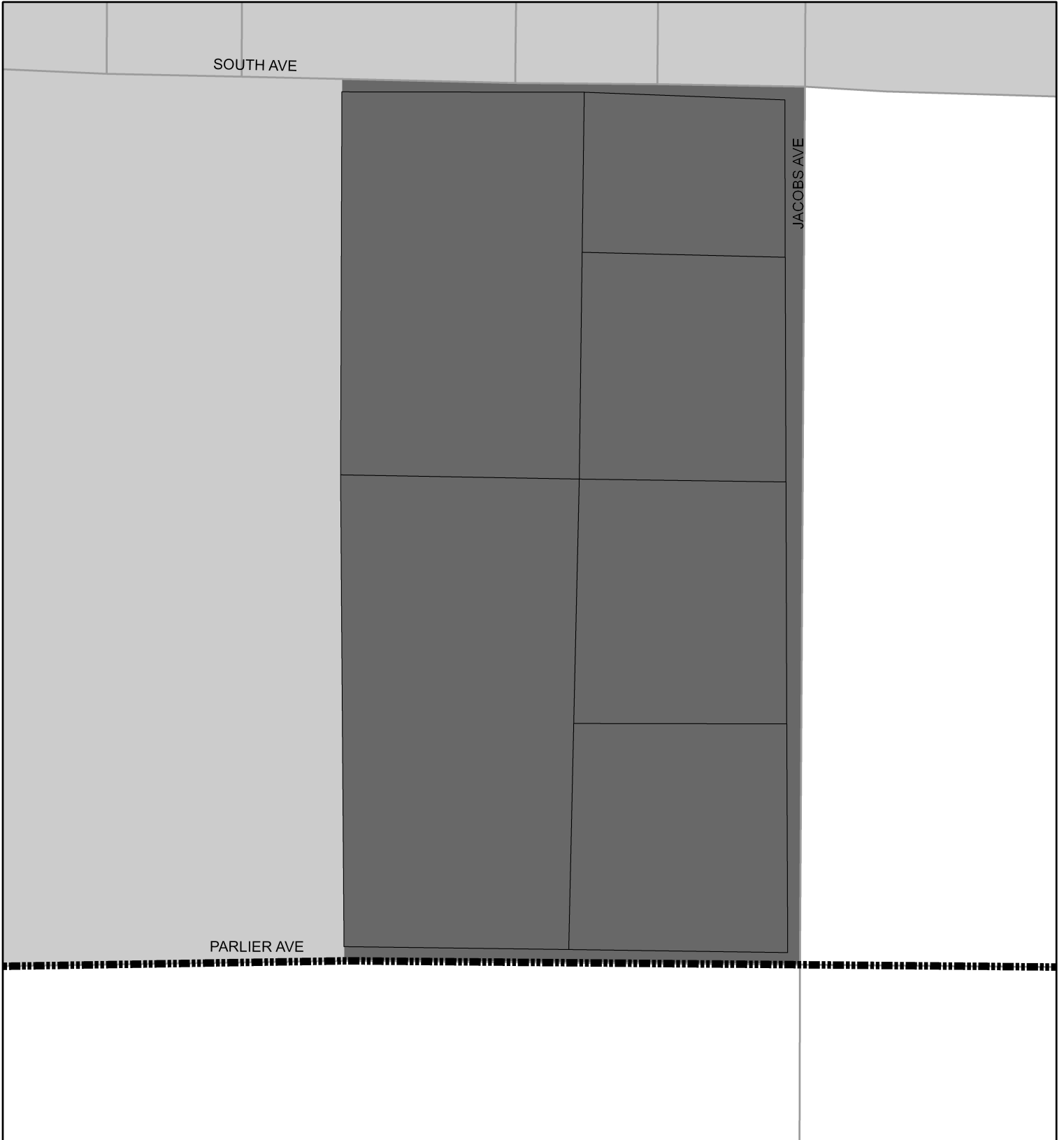
Parties of Interest:

Del Rey Villas, LLC. (Hormuz Faryab, President)	NA Engineering	Iyad Naffa
Michael Farzinpour	Rubio Martin	




The Following Have Received Copies of This Report:

- LAFCo Commissioners and Alternates
- Ken Price, LAFCo Counsel, Baker, Manock, and Jensen
- Alan Bengyel, City Manager, City of Orange Cove
- Bernard Jimenez, Planning Manager, Fresno County Development Services Department
- Will Kettler, Fresno County Public Works and Planning
- Orange Cove Fire Protection District
- Fergus Morrisey, Orange Cove Irrigation District
- Hormuz Faryab
- Iyad Naffa

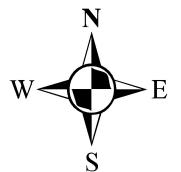
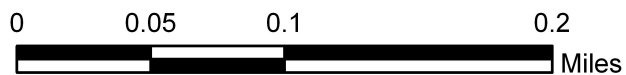
EXHIBIT "A"



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



August 20, 2010

DEL REY VILLAS, LLC
1801 Ave. of the Stars, Suite 1404
Los Angeles, CA 90067
310.788.585 (Tel.)

Mr. Alan Bengyel
City Manager
City of Orange Cove
633 Sixth Street
Orange Cove, CA 93646

**RE: Request for Extension LAFCO Resolution No. RO-09-3
"Jacobs-South Reorganization (Del Rey Villas, LLC)"**

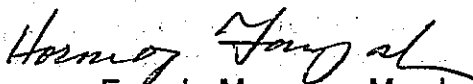
Dear Alan:

We have received notice from the Fresno Local Agency Formation Commission (LAFCO) that the above Resolution will expire November 4, 2010. We would like to formally request an extension of the above Resolution as provided by LAFCO procedures.

As you know, we have been meeting with the City of Orange Cove in the hopes of moving forward with this development. We have met several times with City Staff including the City Engineer to advise us of how to move forward with our project. We are attempting to address the LAFCO conditions for compliance and concluding our annexation request. In discussions with the City, over the past 12 months we have found out that there are some state regulatory agency issues which the City must first address for its sewer and water infrastructure. This has a limiting effect on our ability to move forward to meet LAFCO conditions.

We have been advised that the City is pursuing further funding for expansion of its water treatment facilities, and we will have to await the conclusion of this effort in order to tie into the water facilities for our development. We have been proactive in concluding our requirements for this project. We are not aware of any other circumstances that have changed in the vicinity of the project since the proposal was approved that could affect suitability for annexation. If possible we would like to request a 24 months extension in light of the City's infrastructure issues and current real estate market conditions.

Sincerely,


Hormoz Faryab, Managing Member
Del Rey Villas, LLC

Mayor:
VICTOR P. LOPEZ

Mayor Pro Tem:
GLENDA HILL

City Council Members:
BERTHA DEL BOSQU
GILBERT GARCIA
ESTHER GONZALEZ



City Administrator:
ALAN J. BENGUEL
(559) 626-5103

Finance Director:
MANUEL SANDOVAL
(559) 626-5170

City Clerk:
JUNE V. BRACAMONTES
(559) 626-5100

Incorporated January 20, 1948

ORANGE COVE BUILDING AND PLANNING DEPARTMENT

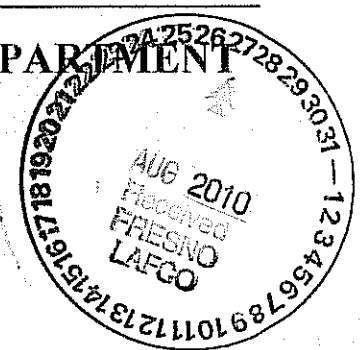
TO: Mr. Jeff Witte, LAFCO
Ms. Candace Fleming, LAFCO

FROM: Alan J. Bengyel
City Manager

AJB

DATE: August 26, 2010

RE: "Jacobs-South Reorganization" (Del Rey Villas, LLC) Resolution No. RO-09-3



The City would like to request an additional extension of the LAFCo Resolution approving the annexation request submitted by the City of Orange Cove and Developer for the above project. We have been in contact with the Developer who last indicated that they wanted to continue entitlement, Tentative Tract Map and annexation approvals by the City. The project has slowed down because of the obvious adversarial real estate market conditions, in Orange Cove and throughout the state. Private residential subdivision building activity, in Orange Cove, has come to a standstill. We await a rebound in the real estate market in order for Builders to move forward with construction of their approved subdivision Tract Maps

In Summation:

1. The Developer continues to meet with City Staff and the City Engineer for completion of their annexation approval items.
2. There are no circumstances that have changed in the vicinity of project that could affect suitability for annexation.

We will continue to work with the Developer to keep this project going and request an extension of the LAFCo Annexation Resolution for this Del Rey Villas Tract, in Orange Cove. A Request for Extension Letter from the Developer for 24 months (if possible) is enclosed with this Memorandum, with some additional details about their project. Please call our offices should you have any further questions.