
Section IX

HOW TO FACILITATE PUBLIC REPORT ISSUANCE

A. Use the Latest Forms

Always use the latest revised form. Use of an obsolete form may invalidate or delay the processing of your application.

All DRE forms show a revision date next to the form number. Normally, old forms are accepted up to 90 days following the revision date. Consult the forms list from www.dre.ca.gov or contact DRE for the latest revision date of forms which you will be submitting.

B. Get Expert Help

If you do not have an extensive background in the complexities of obtaining a public report, it may be advantageous to use the services of a qualified agent to handle your application. Attorneys, consultants, title companies, and independent processors who are experienced in these procedures can help you prepare a more complete and correct application.

C. Respond to Deficiency Notices Quickly and Completely

To avoid a delay in receiving your public report, submit deficiency items on a timely basis and *refrain from submitting documents piecemeal*. Your file will not be reviewed and the public report will not be written until all deficiency items have been correctly and completely submitted.

When responding to deficiencies, always submit all the documents at one time under the notice which was enclosed with the deficiency letter. The notice alerts Deputies to the type of submittal being sent so that mail is always processed within the statutory time frames.

D. Budget Review

To facilitate the review of the duplicate budget package (DBP):

1. Subdividers and their representatives should send all budget information for review through the SRP in complete packages. When returning responses to deficiency notices, information that is submitted should include all of the items covered in the deficiency notice.
2. All budgets submitted must be signed and dated by the budget preparer. If revised budgets are submitted, they should be re-signed and re-dated by the budget preparer.
3. When a Single Responsible Party (SRP) submits documentation to the budget reviewer, a copy should always be sent to the appropriate subdivision deputy.
4. All telephone calls regarding the status of a budget review should be made by the SRP. The SRP can then inform the concerned party.
5. When a DBP is submitted for a subsequent phase of a project or for an amended public report, it would be helpful if a copy of the most recently issued budget review notice (RE 660C) was provided for reference purposes.

E. Common Errors To Avoid

1. If the subdivider does not have title to the property, evidence of future vesting must be submitted. The

evidence of future vesting must include a date certain for acquiring title.

2. The street address, not the P.O. Box, of the escrow depository must be shown on RE 612 and 612A, submitted for a preliminary public report and RE 612A must bear original, not photocopied, signatures.
3. If the subdivider will bond for completion of common areas under Section 11018.5(a)(2), RE 611A must be submitted with the budget. Bond provisions (Regulation 2792.4) must be included in the CC&Rs. And, assessment exemptions (Regulation 2792.16c), as applicable, are to be included in the CC&Rs.

Letter-of-credit and set-aside letter completion arrangements, as well as the RE 621 option, also require submittal of RE 611A with the budget and inclusion of Regulation 2792.4 provisions in the CC&Rs. And, assessment exemptions (Regulation 2792.16c), as applicable, are to be included in the CC&Rs.

4. All the documents submitted with the application for a public report must agree concerning the method in which the subdivider will comply with the law; e.g., Section 11018.5(a)(2) or Regulation 2792.9.
5. The escrow instructions must spell out exactly how the subdivider will comply with Section 11018.5(a)(2). The instructions must be specific and may not simply list the various alternatives that could be selected by the subdivider.
6. For Existing Subdivision Interests or common interest conversion projects, if there is renovation work to be completed and the subdivider elects compliance with Section 11018.5(a)(2)(B) of the Business and Professions Code, the escrow instructions should state substantially the same as the following:

No escrows will close until all renovation work to the common area and facilities has been completed and a notice of completion for _____* has been filed and time for all claims of all applicable liens has expired or, in lieu thereof, a title insurance policy will be issued to the purchaser and to the homeowners association which contains endorsements against all claims of liens recorded or as yet unrecorded.

* It must be clear what specific renovation work is to be completed, e.g., *pool refinishing, roof replacement, exterior painting, etc.*

7. Revised or corrected responses in the application should be signed or initialed by the subdivider, or the subdivider's authorized agent.

F. Reference the DRE File Number and Deputy

When corresponding with the Department about a file or sending in deficiency responses, always reference the DRE file number and the name of the Deputy assigned to process the file.

You are advised to make copies of all documents submitted and to retain them for your reference.

Letters from "third" parties, such as homeowners associations, utility companies, banks regarding financial arrangements, etc., should be addressed to the single responsible party or the developer, not the DRE. Letters are frequently mailed directly to the DRE by these parties without any reference number. Not infrequently, such letters arrive even before DRE receives an application for the project. This should be discouraged.

G. Designate a Single Responsible Party

In order to process your application, a single responsible party must be designated in the application. Normally, all communication from the DRE regarding your application will be through this person (preparers of management documents and/or homeowners association budgets may be contacted, if necessary). Other parties having an interest in the application should contact the single responsible party (SRP) for status information. Only the SRP should contact DRE directly.

H. Master Geographic Letters (MGLs)

MGLs are submitted to DRE by some cities and counties. They state which types of off-site improvements and services must be secured before the final subdivision map can be approved. Before completing RE 624 or RE 628, you should find out whether the jurisdiction in which your project is located had a MGL on file with the DRE at the time the tract map was tentatively approved and if it was, which off-site improvements are covered by that MGL. MGL's do not cover parcel maps (unless specifically included on the MGL) and are not retroactively applicable; i.e., they cannot be used with "old" maps.

I. Requests for Expedited Reviews of Subdivision Filings

The Department of Real Estate (DRE) receives requests for the expedited review of subdivision and budget filings. These requests are reviewed on a case-by-case basis and are considered especially when any of the following circumstances exist:

1. An extreme financial hardship that affects the Subdivider. Such hardships must be documented. DRE will review the documentation submitted to confirm qualification.
(Note: It can be argued that each and every subdivider has a financial hardship. DRE must factor reported hardships against overall workload.)
2. Standing Inventory. Evidence may be shown by submitting a recorded Notice of Completion for the project.
3. Affordable Housing projects wherein at least 50% of the lots/units will be offered with an “Affordable Housing” incentive to purchase.
4. “Totally Complete” filing package. For more information on submitting a “totally complete” filing refer to RE Forms 699A (Standards) and 699C (Common Interest).

A Subdivider requesting an expedited review under any of the above circumstances must submit a letter requesting such with the initial filing for the project/phase. If expedited handling is approved, those files will be given priority attention; taking into consideration workload factors which may influence review time. The Subdivider must keep in mind that although DRE will attempt to expedite review, any deficiencies noted must be corrected prior to the issuance of a Public Report.

J. Subdivision Industry Bulletin

The Department periodically publishes a newsletter which includes the latest in subdivision procedures, regulations, form changes, fee changes, etc. The Subdivision Industry Bulletin is available on the DRE Web site, www.dre.ca.gov, by clicking on the Publications tab.

K. Real Estate Law Book

The Real Estate Law Book and CD can be purchased at any [DRE District Office](#) or by submitting a [Publications Request \(RE 350\)](#). An electronic version of the law book is available free of charge on our Web site, www.dre.ca.gov, by clicking on the Publications tab.