



## **SUBJECT**

Proposed Five Year Extension of the Development Agreement for the Stonebrae Country Club (Blue Rock) Project Located Southeasterly of the Intersection of Fairview Avenue and Hayward Boulevard along Walpert Ridge

## **RECOMMENDATION**

That the Planning Commission recommends to City Council that it approves the Development Agreement amendment to extend the term for five years, subject to making the required finding that such amendment is consistent with the General Plan.

## **SUMMARY**

The City Council approved the Blue Rock Country Club project, now known as Stonebrae Country Club, in January 1998. Shortly thereafter, Stonebrae and the City of Hayward entered into a Development Agreement, which was recorded on April 16, 1998. The initial term of the Development Agreement was for a ten-year period, with five-year extensions allowed by mutual consent of the parties. Two five-year extensions were approved in 2008 and 2013 and the current Agreement would expire on February 24, 2018. Due to the impact of the previous economic recession when housing construction slowed, the project will not be fully completed when the existing Development Agreement would expire next year. Stonebrae is requesting a third five-year extension to the terms of the Development Agreement to allow them to complete construction of the project by 2023.

## **BACKGROUND**

The City Council approved the subdivision map for Stonebrae Village A (Tract 5354) in April 2005 and the final map was recorded on July 29, 2005. The City Council approved the final subdivision map for Village B (Tract 7736) in November 2006 and the final map was recorded on May 24, 2007. All tract work and home construction has been completed in Villages A and B. In addition, the golf course was also completed several years ago, as was the permanent clubhouse for the development and club members.

The “Great Recession” affected the timetable and scheduling for completing all remaining phases of the Stonebrae community. Infrastructure for the first homes in the 214-lot Village A was completed in 2006, ahead of the recession. In contrast, the 150-lot Village B was improved in 2008, during the steepest decline in real estate demand and value in recent

history. Despite this situation, approximately one-third of the Village B homes were completed mid-recession and in 2013, a total of three home builders offered homes in this village. In 2014 and 2015, Stonebrae quickly developed plans for its next villages, Villages E and D, in that order, where home occupancy and construction are now occurring (see discussion below). As the economic recovery continues to gain momentum and with construction of the development's signature amenities (the permanent golf and community clubhouse), Stonebrae anticipates completion of the community during the next couple of years.

The extension would extend the term of the Development Agreement an additional five years from the date it otherwise would expire. The developer is currently in full compliance with the DA and the extension would allow for completion of the project.

## **DISCUSSION AND STAFF ANALYSIS**

In order to approve the Development Agreement extension, the Planning Commission must make a finding that the provisions of the Amendment to the DA are consistent with the City of Hayward General Plan and the Walpert Ridge Specific Plan. The Amendment to the DA to extend its term is authorized under the Agreement with the mutual consent of the parties. The Amendment does not propose new or amended provisions which modify the development authorized under the Agreement and other City approvals.

The Stonebrae community continues to be built out, with the following elements completed:

- Overall project:
  - The donation of approximately 1,000 acres of land to the East Bay Regional Park District (EBRPD) has occurred. The State has fully executed the conservation easement to assure proper use and management of the lands in perpetuity for habitat as well as public enjoyment. With EBRPD staff, Stonebrae worked out all details for long-term easements and maintenance between Stonebrae and EBRPD, in accordance with existing agreements.
  - The off-site Fairview Avenue improvements have been completed. This involved a neighborhood working group that provided for a collaborative process between the City and neighbors prior to commencement of the improvements.
- Build-out of residential villages:
  - The Stonebrae community currently consists of four villages: A, B, D and E. The only remaining Village that needs both site and home construction is Village C, for which a Final Map application has been submitted, which, along with review of this requested DA Amendment, is tentatively scheduled for Council review on May 23.

- The community has active Homeowners Association (HOA) participation, both as Directors on the HOA Board and in meetings. The HOA's ongoing efforts include security, water conservation, and building a sense of community via social networking and social events. The Landscape and Lighting District, which funds maintenance of the entry area and other common areas of the project, is fully operational and funded.
- In Village B, Stonebrae launched a unique custom home program on Stonebrae Road, the main drive leading to the clubhouse. The homes built were mainly single story involving a modernistic building architecture and a strong indoor-outdoor relationship to capture a distinctive component of the market. Sales of these units occurred quickly and were judged to be a success.
- The current home builders for Village D are Meritage and Brookfield Homes. Each guest builder has provided refined exterior home designs and rich color palettes.
- The Stonebrae real estate group continues to work closely with all builders on site to ensure that the new homes will succeed in the diverse East Bay market.
- Stonebrae anticipates completing Village C site construction in 2017 and starting home construction in early 2018. Village C consists of 96 new single family homes.
- Clubhouse:
  - In 2012, Stonebrae launched plans for the permanent clubhouse to be built across the street from the temporary clubhouse and near the driving range. As was the case with the temporary clubhouse, the new clubhouse serves multiple functions: golf club, banquet events, fitness and dining/social, but on a more complex and larger scale. Dining opportunities have been significantly enhanced and the new building is oriented to take advantage of sweeping bay and golf course views. The recreational experience benefits members with a larger locker room facility, a bigger gym, class and special events rooms, bocce ball courts, an outdoor spa, and a pool. Stonebrae will continue to offer golf club, fitness and social memberships and golf tournaments with a wider audience in mind.
  - The clubhouse was completed in 2014 and the building design and facilities have been met with a very positive community response.
- Golf Course
  - The club continues its focus on building memberships and hosting more tournaments and other events to increase course visibility.

- Ongoing management includes continued examination of irrigation needs and increasing irrigation efficiency in light of the previous drought and increasingly costly water to maintain the course.

## **ENVIRONMENTAL REVIEW**

The City certified the Final Supplemental Environmental Impact Report (FSEIR) for the Project in 1998, and thereafter adopted an Addendum to the FSEIR when it approved the Precise Development Plan and Vesting Tentative Map in 2002. There is no substantial change proposed in the Project or in the circumstances under which the Project is being undertaken, nor is there any new information, which would require additional environmental review. The City continues to receive regular reports, as required, regarding surveys of red-legged frog and Alameda whipsnake habitat and results of implementation of environmental mitigation measures.

## **SUSTAINABILITY FEATURES**

On December 16, 2016, the Hayward City Council adopted the California Code of Regulations (Building Code, Fire Code, etc.) 2016 edition of Title 24. The Energy Code applies to new buildings, remodels, repairs and additions to existing buildings. This code update included additional green building and energy efficiency standards. The new codes represent a significant leap forward in order to reach California's target of zero net energy (ZNE) for all new residential buildings in 2020. This code cycle is the final update to the Energy Code before all new homes in California must be ZNE, or produce all of the energy they consume on site. The next building code update is approximately three years away.

The final phase of the Stonebrae development, which involves Village C, would be subject to the newly adopted building code standards, ensuring a much higher "green" standard than originally required for other project phases.

Homes have four focal points for conservation in the current Energy Code:

- Insulation (this includes walls, roofs, floors, attics and windows)
- Water Heating
- Heating and Cooling Systems (Furnaces and air conditioners)
- Lighting

The major efficiency increases relate to wall insulation, lighting and water heating. Most homes built starting in 2017 will utilize on-demand or "tankless" water heaters, which are approximately 30% more efficient than conventional storage tank water heaters. New homes will also include thicker walls with both internal and external insulation. Finally, new homes will not be allowed to use any incandescent lighting as part of this new code cycle. All installed fixtures will be either compact fluorescent or LED.

Ensuring that this final phase of the Stonebrae development is greener than previous project phases is in keeping with Council's priorities (Safe, Clean & Green, or sustainable) and code requirements.

## **PUBLIC OUTREACH**

On April 28, 2017, a notice of public hearing was published in *The Daily Review* newspaper and mailed to property owners owning property within 300 feet of the Stonebrae Country Club development and current residents within the community.

## **NEXT STEPS**

The Planning Commission recommendation will be forwarded to the City Council, which will take action on the proposed Development Agreement amendment and extension, tentatively scheduled for May 23. If the DA extension is approved, the new Agreement with a modified term will be recorded and the construction of the approved improvements will continue in accordance with the modified Development Agreement.

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