

January 21, 2015 – Oakland Tribune – [Oakland: Developer releases tentative plan for Oak Knoll project](#)

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OAKLAND -- Foiled in its first attempt to build a major subdivision in the Oakland hills, a development firm is pressing ahead with one of the city's largest housing projects in decades.

On Jan. 22, SunCal gave city officials their first glimpse of its new plan to build 935 homes on the grounds of the former Oak Knoll Naval Hospital, just east of Interstate 580 in East Oakland.

The Irvine-based development firm is proposing a mix of single-family homes, townhouses and apartments as well as a small retail center and 83 acres of open space on the 187-acre site. The firm hopes to break ground in 2017.

"This is an incredible piece of dirt," SunCal's Pat Kelleher said. "It's in a great location. And there is a lot of demand for this type of housing in the Bay Area."



File: The Oak Knoll Naval Hospital is shown on Thursday, April 7, 2011 in Oakland, Calif. The hospital is scheduled for demolition on Friday, April 8. (Jane Tyska/Staff)

The site offers one of the last opportunities for a large-scale subdivision development in Oakland. Only the 3,100-unit Brooklyn Basin apartment complex is larger among projects in Oakland's development pipeline.

Councilman Larry Reid, who represents the surrounding community on the City Council, said the thousands of new residents would boost business in his district and help revitalize the neighboring commercial corridor across the freeway.

"It will help transform East Oakland," Reid said. "I'm just happy that it's back on track and moving forward."

SunCal started work on the project in 2005, when the firm partnered with Lehman Brothers to buy the parcel for \$100.5 million.

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The project collapsed when Lehman Brothers went bankrupt in 2008, but SunCal purchased it from Lehman's estate last year for \$76 million.

The current proposal includes 25 fewer homes and about 30 more acres of open space, including hiking trails.

In response to concerns from nearby residents, houses are no longer planned for the knoll area, which has sweeping views of San Francisco, Kelleher said.

One change less likely to please neighbors and the city is that the new proposal doesn't include funds to restore the once-stately Officer's Club, which has sustained substantial damage since the hospital was shuttered.

Nearby residents have played an active role in the site, first working with SunCal on the original project and then in working with the city to force Lehman to demolish the existing structures and fence off the property.

After Lehman's bankruptcy, vandals stripped wiring, pipes and metal from the remaining structures, and squatters took over several buildings.

The city had to file a claim against Lehman in bankruptcy court to get the property secured and the buildings, other than the Officer's Club, demolished.

Donald Mitchell, of the Oak Knoll Coalition, said neighbors still have concerns about traffic and other issues, but have been meeting with SunCal and generally prefer the new proposal to the former one.

"The overwhelming number of neighbors want to see something done down there, as long as it's done responsibly," he said.