

January 21, 2015 – SFGate.com - [Big Oakland housing project revived, sans 'McMansions'](#)

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*Photo: Courtesy Of SunCal / Courtesy Of SunCal
A rendering of Rifle Range Creek in the East Oakland hills after restoration.*

The plan to transform the Oak Knoll Naval Facility in the East Oakland hills into a mixed-use community with 935 homes is being revived six years after it was shelved because of the Great Recession.

SunCal, which originally partnered on the project with defunct investment bank Lehman Brothers, said it would resubmit plans for the 187-acre project, according to **Pat Kelleher**, Oak Knoll project manager for the Irvine (Orange County) developer.

“We are picking up where we left off,” Kelleher said.

While the new vision is similar in size and scope to the one that was put on hold in 2008, Kelleher said SunCal has dropped the most controversial part of the original proposal: the 16 multimillion-dollar “McMansions” that were slated to be built along Oak Knoll’s prized ridge.

Kelleher said his group has been meeting with neighbors over the past few months and was convinced that the 14.8 acres along the ridge should remain open space. In total, the plan calls for 80 acres of open space and parks and more than 4 miles of trails. A 16-acre area around a creek will also be rehabilitated. Resident **Donald Mitchell**, who has been tracking the project for 15 years as part of the **Oak Knoll Coalition**, said he was “hesitantly positive and cautiously optimistic.”

“We are holding out support but are hopeful that it will be something that is acceptable to the neighborhood,” he said. “Our concern has always what they are going to do on the ridge and what they are going to do in the historic oak woodlands.”

For 54 years, the 187-acre **Oak Knoll Naval Hospital** treated U.S. service members, including those wounded during World War II, the Korean War and the Vietnam War. It was closed in 1996 and sat vacant for 10 years, during which time the site and its buildings were vandalized and left to crumble. SunCal partnered with Lehman Brothers to buy the property in 2005 for \$100 million, but lost control of it after Lehman Brothers, which had put up the money for the acquisition, filed for Chapter 11 bankruptcy protection in September 2008. It was not until May 2014 that SunCal was able to buy back the property from the Lehman Brothers estate. This time the price was closer to \$70 million.

Another change is that the new plan will not include six-story podium buildings; no structures will be taller than three stories. It will be a mix of townhouses, senior housing, and single-family homes large and small. A **Village Center** that will feature retail space for restaurants and store-fronts will also be included.

“It’s less impactful than the previous plan,” Kelleher said.

In a move that will likely upset preservationists, Kelleher said the most historically important building on the property — the **Knoll Officers Club** — would likely be knocked down due to what SunCal called “unrepairable damage.” He said SunCal would work with veterans groups to identify portions of the structure that could be reused in a memorial and park within the new community. The original plan called for the club to be a community center.

Mitchell took issue with the contention that the club could not be saved.

“They can save it if they want — it’s the the signature building on site,” he said. “Most developers would prefer not to put money into something like that.”

While the plan is similar to the one abandoned in 2008, SunCal will be required to undertake all new environmental impact studies, a process that will take 12 to 18 months. It’s unlikely that construction would start before late 2016.

“We think it’s a great housing market,” Kelleher said. “Oakland is an amazing place with terrific weather, job opportunities and this project is located in a prime area. If we were entitled today we would start building right away.”