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## Builder cancels deal to buy site for homes

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Lisa P. White  
Staff Writer

A South Bay home builder, put off by the sluggish economy and the housing slump, has backed out of a deal to buy the former Oak Park Elementary School site from Contra Costa County. SummerHill Homes of Palo Alto bid \$22 million in June for the 10-acre property at 1700 Oak Park Blvd. in Pleasant Hill and planned to build as many as 96 single-family homes.

The company had a two-year option to purchase the property, said Karen Laws, principal real property agent for the county. SummerHill had paid \$400,000 to hold the option when it notified the county in December that it did not want to proceed with the purchase.

A spokeswoman who declined to give her name said the company "terminated the contract due to current economic conditions."

Although the housing market is falling, state officials hope to encourage an affordable-housing project in Pleasant Hill by auctioning a surplus 1.45-acre parcel on North Main Street in March. It's a joint effort by Caltrans and the Department of Housing and Community Development.

Home sales in December fell 45.7 percent in Contra Costa County from a year earlier, according to DataQuick Information Systems Inc., and the median home price fell 11.3 percent to \$505,000.

Laws said the county had not lost money on the scuttled deal and is keeping SummerHill's payments. But with the housing market still in free-fall, the county is in no hurry to put the property back on the auction block.

"It may be some point this year, but it could go into next year," Laws said.

Pleasant Hill leaders had been eyeing the Oak Park Boulevard property for a flood detention basin, but the city could not afford it.



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Mayor John Hanecak said the city is still interested in using the site for flood control, but the decision rests with the county.

The proposed affordable-housing property is on North Main Street between Oak Park Boulevard and Sun Valley Drive.

A parking lot takes up the bulk of the property and a Black Angus restaurant has a lease on the lot until October 2010. It was unclear whether the buyer must honor the lease. The remainder of the property is vacant.

The minimum bid is \$3 million, and prospective buyers must put down a \$90,000 deposit.

Although SummerHill Homes and other for-profit home builders may be retrenching, Geeta Rao of the Non-Profit Housing Association of Northern California said the nonprofit building sector is not facing the same economic pressures.

"It's not going to hold them back," Rao said. "One of the biggest challenges nonprofit developers face is finding sites for affordable housing, so this is great. This is fantastic policy."

Rao said the once-bullish California housing market has produced only half the needed affordable-housing units, which are reserved for families earning less than 80 percent of the area median income in Pleasant Hill.

"You need money, pro-housing policies and land. And land is this big piece, and that's the link to what Caltrans and (the Department of Housing and Community Development) are doing."

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