October 18, 2017

## STATUS REPORT OF PROJECTS SPONSORED BY DANNY HABER OR ASSICIATES

#### BACKGROUND

On August 1, 2017, Jonah Strauss of the Oakland Warehouse Coalition sent a letter to the Planning Commission expressing concerns regarding six projects sponsored Danny Haber. Mr. Strauss requested a report on the status of these six projects during Open Forum at the September 6, 2017 Planning Commission meeting. The Planning Commission subsequently directed staff to prepare a report with "bullet points" for the status of each project. This report is staff's response to the request of the Planning Commission. The letter from Jonah Strauss and Danny Haber's response are in Attachments A and B, respectively.

#### PROJECT DESCRIPTIONS AND STATUS

### 1. 8024 Rudsdale Street

Applicant: Jeremy Harris (project manager associated with Danny Haber)

Project Description. The project includes:

- Completing the construction of a three-story 18,672 square-foot, 15-unit residential building that was originally designed as a group home but was left unfinished by another developer several years ago;
- 15% of the residential units for very low income households, which qualified the project for a 35% density bonus and three concessions under State Density Bonus Law. The concessions include: insufficient open space, parking allowances for parking spaces located in the front yard setback, and greater than 50% paving in the front yard setback.

<u>Required Planning Permits</u>. The project required a Major Conditional Use Permit for more than seven dwelling units in the RM-3 Zone and Regular Design Review for new construction and the creation of residential dwelling units.

<u>Status.</u> The project was approved by the Planning Commission on June 7, 2017 and was not appealed to the City Council (Planning Permit number: PLN16064). No building permit applications have been submitted.

#### 2. 2400 Filbert Street

Applicant: Jeremy Harris (Project Manager associated with Danny Haber)

<u>Project Description.</u> The preliminary proposal is to convert an existing warehouse to approximately 52 JLWQs and 66 residential dwelling units inside and outside of the existing building envelope, respectively. Staff describes the proposal as preliminary because the project sponsors have only applied for a preapplication review (application number: ZP160090). In addition, a Conditional Use Permit (CD05116) was approved in 2005 to construct 52 JLWQs.

Required Planning Permits. The project as presented in the preapplication will require Regular Design Review for the creation of residential dwelling units and changes to the exterior of the building and a Conditional Use Permit for the construction of more than five residential dwelling units in the RM-4 Zone. The Conditional Use and Design Review Permits are major – requiring review from the Planning Commission, with any Planning Commission actions appealable to the City Council – for the construction of seven or more dwelling units in the RM-4 Zone and a nonresidential project that requires both Regular Design Review and involves more than 25,000 square feet.

Status. As mentioned, the 52 JLWQ and 66 dwelling unit project is in preapplication review (ZP160090) and no permit application has been submitted to the City. The approval for 52 JLWQs (CD05116) was extended to 9/30/17 by the Planning Commission. The applicant, Thomas Dolan, applied for another extension to the approval on 7/20/17. This extension is being considered by the Planning Commission at the 10/18/17 meeting.

#### 3. 1919 Market Street

Applicant: Winston Win (project architect associated with Danny Haber)

<u>Project Description.</u> This project is the conversion of an industrial building into 102 joint living and working quarters (JLWQs), commonly known as live/work units, on a site that faces both Market and Myrtle Streets. The project includes demolishing the middle part of the building, reconstructing the building within the previously existing building envelope, and enhancing street facing façades. The project provides 59 car parking spaces, 130 long term bike parking spaces, and 16 short term bike parking spaces.

Required Planning Permits. Under Section 17.102.190 of the Planning Code, JLWQs are permitted, by right, in zones that either permit or conditionally permit residential activities. The creation of the units is permitted at 1919 Market Street because the project is in the RM-4 zone, where residential activities are permitted. However, per Section 17.136.030 of the Planning Code, the project requires Small Project Design Review approval for changing the exterior appearance of a nonresidential façade.

<u>Status.</u> On September 6, 2017, the applicant submitted a Small Project Design Review permit application (Planning Permit number: DS170373). Staff is currently reviewing that application.

## 4. 392 11th Street

Applicant: NDO Group, LLC

<u>Project Description.</u> This is the site of the Travelers Hotel building, which is currently a single room occupancy (SRO) hotel with ground floor commercial space. The NDO Group, which includes Danny Haber, proposes:

- Remodeling 78 SRO units by adding common kitchens and living rooms on the upper floors and reconfiguring bedrooms (Building Permit number: B1600813);
- Replacing the ground floor entry door, creating an accessible bathroom on the first floor (Building Permit number: B1600813);
- Façade and tenant improvements for a restaurant (Building Permit numbers: B1605320, B1702927, and B1703105; Planning Permit numbers: DRX161385, DRX160563, DS170284)

<u>Required Planning Permits.</u> Small Project Design Review for a new sign and exterior changes to a commercial facade.

Status. A Small Project Design Review permit was approved by the Bureau of Planning on 7/11/17 (Planning Permit number DS170284). Minor changes to the storefront were approved by the Bureau of Planning on 8/11/16 and 4/7/16. The building permit for remodeling the SRO units, replacing the ground floor entry door, and creating an accessible bathroom was issued on 6/6/16 (Building Permit Number B1600813). Construction has begun under this permit and the most recent inspection was for partial framing conducted on 09/28/17.

### 5. 669/671 24th Street

Applicant: Danny Haber

<u>Project Description.</u> Conversion of an existing warehouse to 24 JLWQs with no exterior changes to the building.

Required Planning Permits. Under Section 17.102.190 of the Planning Code, JLWQs are permitted, by right, in zones that either permit or conditionally permit residential activities. The creation of the units is permitted at 671 24<sup>th</sup> Street because the project is in the RU-1 zone, where residential activities are permitted. The project is permitted without a planning permit because it does not include exterior changes.

Status. Plans were approved by the Bureau of Planning on 9/5/17. A building permit application (B1704532) to construct the units was submitted on 10/11/17. This building permit has not been issued.

### 6. 674 23rd Street

Applicant: Danny Haber

Project Description. Conversion of an existing warehouse to 24 JLWQs.

Required Planning Permits. Under Section 17.102.190 of the Planning Code, JLWQs are permitted, by right, in zones that either permit or conditionally permit residential activities. The creation of the units is permitted at 674 23<sup>rd</sup> Street because the project is in the RU-1 zone, where residential activities are permitted. The project is permitted without a planning permit because it does not include exterior changes.

Status. Plans were approved by the Bureau of Planning on 9/5/17. Danny Haber applied for a building permit (Building Permit number B1605275) on 6/19/17. The building received a partial frame inspection on 9/25/2017.

### 7. 5701 International Boulevard<sup>1</sup>

Applicant: Debo Sodipo

<u>Project Description</u>. The project includes the legalization of 17 JLWQs and addition of 42 new JLWQs within a historic building that contributes to the 57<sup>th</sup> Avenue Industrial Historic District. The project also includes refurbishing existing windows and a redesigning the main entry.

Required Planning Permits. Under Section 17.102.190 of the Planning Code, JLWQs are permitted, by right, in zones that either permit or conditionally permit residential activities. The creation of the units is permitted at 5701 International Boulevard because the project is in the CN-3 zone, where residential activities are permitted. The project did require Small Project Design Review approval for alterations to the facade of a nonresidential building. Approval of the project occurred after review by the City's Office of Historic Survey and the Landmarks Board.

<u>Status</u>. A Small Project Design Review application (Planning Permit Number DS170205) was approved on 5/16/17. Building Permit number B1606143 was issued 6/6/17 and no inspections have been performed.

<sup>&</sup>lt;sup>1</sup> Staff did not find evidence in the City's permit tracking system that this project involves Danny Haber and this project was not requested at the September 6, 2017 Planning Commission. The project is included here at the request of Jeremy Strauss.

#### **CONTACTS**

The Bureau of Planning processes planning permits while the Bureau of Building processes building permits and performs code enforcement. If you have any questions regarding the planning permits relating to these projects, contact Neil Gray in the Bureau of Planning at (510) 238-3878 or <a href="mailto:ngray@oaklandnet.com">ngray@oaklandnet.com</a>. Contact Dave Harlan in the Bureau of Building at (510) 238-6321 or <a href="mailto:dharlan@oaklandnet.com">dharlan@oaklandnet.com</a> for questions regarding building permits and Rich Fielding at (510) 238-6202 or <a href="mailto:rfielding@oaklandnet.com">rfielding@oaklandnet.com</a> for questions regarding code enforcement regarding these projects.

Prepared by:

Neil Gray Planner IV

Reviewed by:

Darin Ranelletti, Deputy Director

Bureau of Planning

#### Attachments:

- A. 8/1/17 letter to the Planning Commission from Jonah Strauss of the Oakland Warehouse Coalition
- B. 8/21/17 letter from Danny Haber responding to Jonah Strauss' letter



ADVOCATING FOR AFFORDABLE ALTERNATIVE HOUSING SINCE DECEMBER 2ND 2016

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District 2, 3, 7, and At-Large Staff

### Re: Six Current Danny Haber Projects

Oakland City Attorney and Alameda County District Attorney staff have been conducting a detailed investigation of Danny Haber's real estate dealings and projects since 2016, but no legal action has yet been taken. Oakland Warehouse Coalition, 1919 Market Neighbors, and current and former tenants of Haber-owned buildings have spoken extensively about Mr. Haber publicly at City Council, in private meetings with Councilmembers, and directly with City Attorney staff. OWC Executive Director Jonah Strauss spoke on this topic during Open Forum at the Planning Commission on July 19th, and Mr. Nagraj requested a follow-up.

In the following pages, we provide basic information about all of Mr. Haber's unfinished properties in Oakland, in order to raise awareness and provide opportunities for the Commission to confirm facts with City Attorney staff. Our assumption here is that the Commission has extensive access to City and County records, all existing Public Records Requests, and can acquire civil dockets both past and present. Oakland Warehouse Coalition maintains a reference list of Haber-related litigation, available upon request.

Mr. Haber's uniquely aggressive and cavalier approach to redevelopment has involved egregious tenants' rights violations, blatant disregard for environmental regulations, avoidance of Design Review, exploitation of the live/work building code for density purposes, and deliberate attempts to mislead neighboring communities about the paths of his projects. Mr. Haber seeks out properties that are distressed or fire-damaged, and/or whose tenants are in precarious situations due to potential Code Enforcement action. The practice of preying on the economically disadvantaged and those in crisis for profit is commonly referred to as Disaster Capitalism.

Background information on Mr. Haber's work:

- Anti-Eviction Mapping Project's Danny Haber / Alon Gutman page, which is the first point of reference for those unfamiliar
- · Haber's underage liquor delivery service at the University of Wisconsin, fines reduced by suing the City of Madison
- SF Examiner on <u>fly-by-night redevelopment and prohibition of right-of-return</u> at The Negev Folsom in SOMA
- SF Examiner on unpermitted density and code violations at The Negev Sixth in SOMA
- SF Examiner on Haber's <u>early exploitation of the AirBnB platform</u> at The Negev Twelfth in SOMA
- Mission Local on Haber's <u>SRO room-flipping</u> at the Graywood Hotel in the Mission, prior to its fire
- West Oakland Warehouse Ride-a-long Podcast: Part Two (1919 Market / 24th Street / 23rd Street) and Part Three (Hotel Travelers)



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#### SIX CURRENT DANNY HABER PROJECTS

#### 1. 8024 RUDSDALE STREET, 94621, COUNCIL DISTRICT 7

8024 Rudsdale was reviewed by the Planning Commission on June 7<sup>th</sup> of this year. The applicant is architect and project manager Jeremy Harris, who shares an office with Mr. Haber on Pier 54 in San Francisco. This is an unfinished 12-unit townhouse project in District 7 that Haber bought as SVG Hadash LLC for \$650,000 and is flipping for \$1.3M (MLS#40784239, Michael Pagones of BHHS Drysdale Properties). From the listing: "Owners are currently nearing the last stage of the entitlement process to have the structure approved for 15 units. Tremendous upside for a developer to complete the proposed project. Potential for rent control exempt status upon completion."

We recommend that the Commission halt the entitlement process entirely, and work to find an appropriate buyer that is both local to District 7 and demonstrates a commitment to make the resultant rental property accessible to local low-income tenants. Please consult District 7 staff for the history of Haber's outreach in this community – it is our understanding that Haber misrepresented his goals in order to gain neighbor support.

#### 2. 2400 FILBERT STREET, 94607, COUNCIL DISTRICT 3

2400 Filbert was last brought before the Commission on <u>December 21st of 2016</u> (00:06:00); it is our understanding that the neighbors were not notified. Current majority owner is Martin Pham / TNP Real Estate Investment, with Haber as the developer, together as 2400 Filbert LLC or "YPP" as stated by Haber. Purchase was at least \$4.6M. The entitlements for this property date back to 2005, relying on total demolition and a 55-unit townhouse design with generous green space, which was presented for extension at the Commission hearing, supported by its original architect. Nine days later, on December 30th, Mr. Haber submitted plans for a more cost-effective cut-and-paste 39-unit conversion that uses the existing buildings' shells but adds height. The application asks, "Do we need to go to the Planning Commission with the above questions?" demonstrating a preference to avoid doing so, as is traditional in Haber's work.

These units take significant advantage of the low minimum size loophole in current live/work code. They are a mix of four- and five-bedrooms, with the fourth or fifth bedroom in each unit labeled "Office" for compliance purposes. Thus, there will be at least 160 to 200 new high-income residents in the neighborhood. The ethical considerations of bringing a cookie-cutter high-density above-market-rate project into a primarily low-income African-American West Oakland community are not insubstantial. In a strange recent turn of events, the property was recently listed for rental in <u>multiple scattershot ads on Craigslist</u>.

We recommend that the Commission insist upon the applicant coming before it for review, that the neighbors be notified of the hearing, that minimum live/work size requirements be not considered good design if applied unilaterally across a project, and that significant affordable housing concessions are made for renters in the 20%-60% of AMI bracket.



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### 3. 1919 MARKET STREET, 94607, COUNCIL DISTRICT 3

1919 Market is widely considered the pinnacle of Mr. Haber's disrespect for the City of Oakland, the live/work arts community, and surrounding neighbors. The 33-unit, 100+ tenant property was distressed after years of neglect by former owner Seth Jacobson and former management company Madison Park. Mr. Haber became the Owner's Agent and unlicensed property manager, removing tenants with a variety of pressure, buyout, and eviction tactics, documented in multiple lawsuits. Under Rachel Flynn's direction, the property was red-tagged by Code Enforcement, despite lack of an immediate life-threatening condition; the remaining tenants were given 72 hours to gather their possessions. This de facto unlawful eviction was very convenient for Mr. Haber.

Mr. Haber acquired a soft demo permit after extensive communication with Code Enforcement regarding a phased compliance plan, but instead he structurally demolished over 75% of the building without advance environmental precautions, leaving the façades mostly intact. The County of Alameda halted the project, and ordered Mr. Haber to hire a remediation company (Pangaea) to evaluate the damage done to the surrounding neighborhood. In addition to the dust distribution across the surrounding blocks at time of demolition, there remains a Benzene-heavy soil gas plume underneath the Northern edge of the property and at least one neighboring home.

- \*KPIX video and writeup on tenant and neighbor experiences at 1919 Market
- Rachel Flynn <u>alerting Sabrina Landreth</u> of Planning & Building's intent to "evict" the tenants (Pg. 1-2)
- \*Rich Fielding asking PG&E to shut off service, lying about both building occupancy and communications with owner (Pg. 11)
- \*Tim Low demonstrating knowledge of environmental concerns long prior to demolition (Pg. 5)
- \*1919 Market Neighbors' letter to Darin Ranelletti on March 31st and Mr. Ranelletti's response on May 18th
- Geotracker archive of documentation for the County-mandated environmental remediation at 1919 Market

We recommend that the Commission and District 3 staff urge an affordable housing developer to purchase the property, fully remediate the environmental concerns, and submit a planset that accommodates both former and new tenants in a law-abiding and neighborly fashion, as detailed in the 1919 Market Neighbors' letter to the Planning Department on June 23<sup>rd</sup>. Haber's purchase price as 1919 Crew LLC is unknown for this property; there is speculation that Mr. Jacobson retains an interest.

### 4. 392 11th STREET, 94607, COUNCIL DISTRICT 2

Hotel Travelers was a midsize Single Room Occupancy hotel in the Central Business District that had been allowed to fall into disrepair around its very-low-income elderly and disabled tenants. Upon Haber's purchase of the property as NDO Group LLC for \$5.35M, "Implementation Specialist" Dion Ross began the process of pressuring tenants to leave, using small buyouts, short alternative hotel stays, and promises of right-of-return. Six tenants fought back in RG16822634, including harm reduction counselor Orlando Chavez and cancer survivor Peter Howe, who to our knowledge remain in the building today, surrounded by construction debris from this unfinished project. Demolition commenced and continued on the building with Planning & Building knowledge, despite passage and extension of the SRO Conversion & Demolition Moratorium by City Council.

- •Mr. Strauss, Mr. Ross, and Mr. Chavez speaking at the extension of the SRO Conversion & Demolition Moratorium (02:03:00)
- East Bay Express on the remaining tenants at Hotel Travelers and the resultant Tenant Protection Ordinance lawsuit
- \*SF Gate on Haber's intent to open a new bar at the Hotel Travelers



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We recommend that the Commission and District 2 staff partner with the County in order to negotiate a purchase price with Mr. Haber, utilizing bond funding from Measures KK and A1 to secure the property as very-low-income housing that allows for the return of all prior tenants in need, or as a homeless transitional center in the style of the Henry J. Robinson. Regardless of the building's fate, we recommend that Mr. Chavez and Mr. Howe be provided lifetime heavily-subsidized housing in the Central Business District, in recognition of their troubles and the City's lack of oversight on this project.

### 5. 669/671 24th STREET, 94612, COUNCIL DISTRICT 3

1/8<sup>th</sup> of the non-conforming live/work property at 669/671 24<sup>th</sup> Street burned on the night of March 21<sup>st</sup>, 2015; Fire Prevention Bureau Inspector Maria Sabatini's fire report listed the cause as undetermined, likely involving smoking materials. The cause is presumed to be accidental. There were two fatalities. The building was red-tagged and remains so to this day.

The thirteen surviving tenants (including Mr. Strauss at 671 24<sup>th</sup> Street, Unit A) attempted to convince the owner at the time, Coldwell Banker realtor Kim Marienthal, to work rapidly with Planning & Building to prevent further damage to the building and come into compliance in order to enable their return. Mr. Marienthal worked only with his independent insurance adjuster, receiving an undisclosed settlement in the Fall of 2015. There was an accompanying preapplication that violated the Code Enforcement Relocation Ordinance by subdividing units. No permits were pulled, and no maintenance or improvements were done. The building was squatted and fell further into blight. On March 2<sup>nd</sup> of this year, Haber bought the building as 671 24<sup>th</sup> Street LLC for \$1.3M on paper, but Haber has stated that "it was more than that." Marienthal had purchased the building in 2012 for \$890K, thus gaining \$410K profit from the sale, and undisclosed (but surely significant) profit from the insurance settlement.

After the sale, Mr. Haber obtained an obstruction permit, ran an unpermitted power line over the roof from the 23<sup>rd</sup> Street property (#6, below), snaked air compressor lines through the building in preparation for demolition, and allowed his employee Arsean Maqami to move in an unlicensed contractor to oversee debris removal. This contractor was living in 669 24<sup>th</sup> Street, Unit B, and may still be, despite its ongoing legal possession by its long-time tenant at time of fire. This was witnessed on June 27<sup>th</sup> by Specialty Combination Inspector Wing Loo, who decided the associated Code Enforcement complaint was Non-Actionable.

All written attempts by the tenants to speak with Mr. Haber about the property have been met with short emails in which Mr. Haber avoids answering all questions posed. Right of return has not been acknowledged, and Mr. Haber has refused mediation at SEEDS, saying "hopefully we can all work together to get this building built." Mr. Haber sought out the Warehouse Coalition at Life Enrichment on July 11<sup>th</sup>, while we were advocating for homeless housing, and made a bizarre attempt to convince Mr. Strauss that his practices are legal and ethical. Most City of Oakland employees who interact with Mr. Haber report that he is casual and charming; that is an accurate description, and may explain his continued success with the Planning & Building Department.

<sup>\*</sup>East Bay Express on the original landlord/tenant issues

<sup>\*</sup>Mercury News update after the insurance claim was settled

<sup>\*</sup>East Bay Express on the sale of 674 23rd Street to Haber (Property #6, below)



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We recommend that the property be removed from Mr. Haber's possession by Eminent Domain, or placed into Receivership, with compliance managed by an ethical developer or Land Trust. The property should be rebuilt simply, without "gold-plating." The developer should respect the surviving tenants' right of return, all units' original sizes and facilities should be maintained, and a Certificate of Occupancy should be achieved.

### 6. 674 23rd STREET, 94612, COUNCIL DISTRICT 3

The 24<sup>th</sup> Street and 23<sup>rd</sup> Street properties are conjoined, initially built together as a National Guard armory, but their only pass-through has been walled off for many years. Details on the buildings' construction are on file with Historic Preservation. 23<sup>rd</sup> Street is a much larger building than 24<sup>th</sup> Street, and housed at least 26 live/work tenants in non-conforming units, and three well-established printing and publishing businesses, at time of fire. On March 21<sup>st</sup>, 2015, the fire leapt from 24<sup>th</sup> Street, over the roof, and damaged three units at the back of the building. There were no fatalities.

In contrast to Mr. Marienthal's post-fire behavior, David "Jux" Beck, the 23<sup>rd</sup> Street owner, immediately complied with Code Enforcement's red tag, and brought his property back into commercial compliance within months. Unable to fund the change of use to Joint Live/Work Quarters, Beck sold the property to a community-oriented developer, who ultimately was also unable to fund the change of use. That developer then sold to Haber (as 674 23<sup>rd</sup> Street LLC) in late 2016, for \$3.65M. Haber contracted with Baran Studio Architecture to draw plans for conforming live/work spaces that met the minimum size requirements, but that would not be large enough to allow Haber to comply with O.M.C. 15.60.100(A), the comparable unit requirement in the right of return section of the Code Enforcement Relocation Ordinance. The planset also violated O.M.C. 8.22.640(A)(16), in the Tenant Protection Ordinance, whereby removing a housing service for the purpose of causing the tenant to vacate the rental unit constitutes harassment. It is the Warehouse Coalition's understanding that the tenants of 674 23<sup>rd</sup> Street retain both possession and right of return.

Haber was granted a Design Review Exemption (DRX161698). The Baran Studio plans (B1605275) required a full gut of the building, but Haber acquired a soft demo permit (B1702647) on Friday, June 16<sup>th</sup>. On that day, Mr. Strauss had an upcoming meeting with Mr. Ranelletti about all Haber properties, thought to check for updates, and discovered the soft demo permit's issuance. Knowing that Mr. Haber would be demolishing over 75% of the building but leaving the façade, as had been done with 1919 Market Street, Mr. Strauss petitioned Permitting staff to halt construction pending Planning Commission review. Permitting staff withdrew the soft demo permit due to its questionable legality. Mr. Strauss met with Tim Low to demonstrate that the planset violated 15.60.100(A); Mr. Low revoked the permit, emailed Mr. Haber, and posed the question of the planset's legality to Maria Bee. On Monday morning, June 19<sup>th</sup>, Mr. Haber went to Permitting, had the planset approved with Mr. Low's knowledge, and commenced demolition. Mr. Haber sent an email to Mr. Strauss at 10:06am: "Hi Jonah somebody at building Dept told me you came running and screaming about soft demo permit at 23rd street? What is end goal?" [sic] That week, Mr. Strauss appealed to Mr. Ranelletti, City Attorney staff Richard Illgen, Maria Bee, and Erin Bernstein, Mayor's Office staff Joanne Karchmer and Kelley Kahn, and Councilmembers Lynette Gibson-McElhaney and Rebecca Kaplan. Mr. Illgen, Ms. Karchmer, and Mr. Ranelletti met to discuss the topic.

On Saturday, June 24th, in response to an email by DIY Safety Group, Specialty Combination Inspector Randy Schimm placed a Stop Work Order on the obstruction fencing at the property. However, work continued the following week. Mr. Low was evasive when asked directly about why he allowed construction to continue, referring Mr. Strauss to Aubrey Rose in Zoning, which was a



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dead end. In that same conversation with Mr. Low, Mr. Schimm appeared sheepish, as if he had been in error by enforcing the demolition's revocation. The last follow-up on this topic made by Mr. Strauss was in person with Mr. Ranelletti on Monday, June 26th, who appeared dismayed when informed that Mr. Schimm issued the Stop Work Order. To this date, Mr. Strauss has not received a direct answer from any City of Oakland employee as to why demolition was allowed to continue, why a Design Review Exemption was granted in the first place, and why Mr. Haber is consistently permitted to circumvent both Planning Commission oversight and public hearing.

The building shell currently stands empty, awaiting twenty-four minimum-sized live/work units slated for occupancy by a maximum number of high-income, largely white tech employees at \$1200-\$1500 per month each. The average tenant prior to the fire paid \$600-\$800 per month. Like its sister property on 24<sup>th</sup> Street, 674 23<sup>rd</sup> Street sits in the middle of a primarily black working-class neighborhood, itself surrounded by a rich street culture. These life-long Oaklanders need the City's support much more than the new colonists. Emerge from the doors of 674, walk straight across 23<sup>rd</sup> Street into St. Vincent DePaul, walk left to the major encampment at 23<sup>rd</sup> & Martin Luther King, or walk right to the SROs on San Pablo. Visit Qilombo community center while you can; Danny Haber recently put an offer on their vegetable garden.

As with 669/671 24th Street, we recommend that the property be removed from Haber's control, and responsibly rebuilt to accommodate all former tenants who wish to return, with the remaining space held for low-income housing and community use.

#### HABER EMPLOYEES

- Alon Gutman initial partner
- Yaniv Lushinsky initial partner, legal consult
- Peggy Moore Community Liaison
- Jeremy Harris Architect, Project manager
- Dion Ross Project Manager
- Arsean Maqami Project Manager
- Ed Singer Lawyer
- Zach Wasserman Lawyer

#### **HABER COMPANIES**

- http://www.OWOW.com
- http://www.TheNegev.com
- The Negev LLC
- The Negev 2 LLC
- 1919 Bayside LLC (1919 Market management)
- 1919 Crew LLC (1919 Market owner)
- NDO Group LLC (392 11<sup>th</sup> owner)
- SVG Hadash LLC
- 674 23<sup>rd</sup> Street LLC
- 671 24<sup>th</sup> Street LLC

#### **Re: oWow Developments**

#### Dear Interested Parties:

The oWow team would like to address the concerns and misunderstandings regarding the firm's current development projects. As representatives of this team, it's important that the truth is communicated, and that we are relying on the accuracy of facts and not current assumptions or personal attacks upon individuals.

Our team would like to address the allegations in the OWC letter authored by Jonah Strauss (See Exhibit A). These allegations include tenants' rights violations, blatant disregard for environmental regulations, avoidance of Design Review, exploitation of the live/work building code for density purposes, seeking properties in distress, preying on the economically disadvantaged, and misleading communities. We will then respond to each project, as pertains to these two recent letters, to clarify the misinformation presented.

Before we respond to company allegations and individual projects, it is important to understand the project goals of oWow. Our team has previously taken on distressed site locations, with the goal of providing a new solution for workforce housing, by providing two-four bedroom units that are more efficient and target rents per individual in the 60%-120% AMI bracket.

On many of our projects we want to make clear our intentions to invite former tenants back to the buildings at significantly lower than market rents, some at equivalent rents to their previous living situations, and provide 15% affordable housing apartments where applicable. This is all done without any subsidies or taxpayer dollars.

To be clear, we are not an affordable housing developer, utilizing public infrastructure to create housing. We are building units targeted towards the middle class, and we are providing a solution to one of the Bay Area's toughest housing problems. Furthermore as we improve on the design and efficiency of the units, we hope to one day build units were individuals can pay in the high 800's per month for brand new, amenity rich, urban infill transit-oriented units.

#### Re: "Tenants' rights violations"

Only two of oWow's developments, 1919 Market Street and 392 11th Street, have included close interaction with current or previous tenants. It's important to clarify that all other projects were vacant or abandoned prior to our team's involvement.

For 1919 Market Street, oWow was brought in to manage the property, taking over management from Madison Park Financial. Upon taking control of the property, city inspectors were called to inspect at

request of an existing tenant, which exposed a long list of existing violations. Our team provided a compliance plan within 3 months of taking possession of the building (See Exhibit B). The intention of the compliance plan was for tenants to remain in their homes while 1919 Crew, oWow's managing entity, complied with the numerous life-safety code violations required to be fixed by the City of Oakland. As stated in OWC's letter (See Exhibit A), the City red-tagged this building as a substandard / Public Nuisance (See example substandard unit; See attachment C), and required 1919 Crew to comply with City demands to vacate and provide permits to rebuild. After further unit inspections, performed by the Building and Fire Department, our proposed compliance plan was not accepted, and the building's occupancy certificate was removed. This is affirmed in the Oakland Building Department's community response letter (See attachment D), which additionally states that oWow appealed, on behalf of all tenants, and succeeded in delaying the city's original displacement timeline from November 24th, 2015 to January 31st, 2016.

While only the property manager, our team worked with every master tenant, many with legal representation, and came to amicable solutions for relocation. Tenants were provided with generous relocation fees, that were significantly more than is required by city housing regulations, and our team fully complied with all tenant's legal representation as shown in their lawyer's signed statement (See exhibit E).

Our other project located on 392 11th Street, previously known as Hotel Travelers, was inherited by NDO Group, oWow's managing entity, with around twenty-five of seventy-eight occupied rooms. Existing tenants were offered three main packages:

- 1. A large relocation payment together with a newer rental unit were provided at equivalent prices tenants were paying at Hotel Travelers
- 2. A smaller relocation payment, housing in either a new home or hotel and the ability to come back at the tenant's original pricing upon development completion. We are anticipating six former tenants to return.
- 3. Tenant can remain in existing room, to be left in-kind, and all development would build around their units as a part of the design.

NDO Group negotiated with the Empyrean Hotel to relocate individuals and allow them to live in newer units at the same rates they were paying at the Traveler's Hotel. One of the many tenants that lived in the building, for over 20 years, expressed their appreciation of our efforts with a personal letter account of their experience (See exhibit F). Additionally, we've also gone above and beyond with a Vietnam Vet who cannot stay at the Empyrean Hotel due to the lack of ADA accessibility (See exhibit G). Our team took full responsibility by covering his entire rental situation at a nightly hotel in Jack London Square for the past 8 months. We've spent over \$30,000 in covering this individual's hotel stay and storage costs, and will continue to pay until construction is completed and he can return to a newly built ADA accessible room and bathroom. It's important to note, that all tenants, eligible for right-of-return, are allowed back into the building once completed at comparable rates to their original living situation.

#### Re: "Blatant disregard for environmental regulations"

1919 Crew inherited 1919 Market Street with many historical issues, including sub-grade environmental contamination, blight, and life-safety hazards that pre-date our involvement in 2015. We began a Voluntary Remedial Action Agreement together with the Alameda County of Environmental Health Department in June 2016 (See Exhibit H) based on historical environmental data, prepared by AEI Consultants in 2014, and phase 1 and 2 reports, prepared by Partner's Engineering in 2016. Current assessment data has shown relatively low chemical impact, with a couple known plumes of PCE, TCE and Benzene that have been found to be slightly above ESL thresholds.

The Alameda County of Environmental Health Department has and continues to scrutinize this project with great diligence, providing a level of oversight above and beyond what's been required on similar projects. 1919 Crew has complied fully with all regulations and requirements, schedules, community requests for additional investigation for both on and off site areas, as well as hiring an accredited environmental consultant per the County's recommendation. All information is public knowledge and is updated through the Geo-Tracker website.

oWow is taking all appropriate steps to ensure a safe site for future inhabitants. All information can be affirmed by contacting the Alameda County of Environmental Health Department regarding all sub-grade environmental assessments and remediations.

#### Re: "avoidance of Design Review"

oWow has obtained valid permits and paid all fees required of our current projects totalling \$1,000,000 to the City of Oakland. We're doing our part as partners in Oakland development, and are anticipating an additional \$3,500,000 in permit fees in the next couple years.

Per the City of Oakland's Building Department letter (See Exhibit D), the Oakland Planning Code adopted by the City Council contains the procedural requirements for the review of proposed development projects, including which projects require small project design review, design review, public notice, planning commission, or staff level decisions.

Many of our projects implement Joint Living and Working Quarters (ie., "Live/work" and "Work/live"), as a way to convert a building, either illegally occupied or not previously allowed for residential occupancy, to become a hybrid of residential and commercial space. oWow has taken on multiple projects that fall under this category including 1919 Market Street, 2400 Filbert Street, 674 23rd Street, and 669 24th Street.

For further clarification, Joint Living and Working Quarters are projects that involve existing structures and conditions. These structures create limitations on future development and must maintain the integrity of specific planning conditions that maintain their original intent. The planning and permitting of these projects involve direct coordination with city planners to ensure safe and viable projects for the

city and local community. The review and approval process is non-standard, typically reviewed internally at the staff level, as these projects must comply with regulations that allow for the conversion of non-conforming buildings. Aspects that differ from new residential units and new construction, include: parking, density, open space, and public notification requirements.

### Re: "exploitation of the live/work building code for density purposes"

oWow has used Joint Living and Working Quarters (ie., "Live/work" and "Work/live") entitlements due to the type of projects the firm has pursued. These sites are typically abandoned warehouses or illegal living quarters that require substantial upgrades. The planning and building code are tailored for these projects due to the cumbersome and expensive nature of their development. The planning department would not approve a permit if it did not meet all code provisions. The definition provided in the Oakland live/work code (Section 17.102.190), also referenced in the planning department's live/work bulletin, defines live/work as:

"Residential occupancy by not more than four persons, maintaining a common household of one or more rooms or floors in a building originally designed for industrial or commercial occupancy which includes: 1) cooking space and sanitary facilities which satisfy the provisions of other applicable codes; and 20 adequate working space reserved for, and regularly used by, one or more persons residing therein."

oWow is focussed on reducing rents and increasing the housing supply. The company is able to offer lower rents by building two to four bedroom units. Per code four bedroom units are allowed. Our current live/work projects include a three bedroom and one office model, which gives flexibility for those to live and work functionally within the same space. This falls in line with live/work requirement to provide adequate working spaces for tenants. None of our units go over four bedrooms in any scenario.

#### Re: "seeking properties in distress"

Many of the buildings available for sale in West Oakland are abandoned or distressed warehouses, some of which have been occupied illegally or under very unsafe conditions. These buildings typically sit on a brownfield of contaminants, endure years of neglect and abuse by current or illegal occupancy, and are common targets for Arson. In the recent year, the City of Oakland has initiated a crackdown for such properties and both developers and the City of Oakland have not found a working solution to provide life safety and exit systems without displacing tenants.

By taking on these distressed properties, oWow is providing a great service to the City of Oakland. We have found a way to solve and make these spaces safe, we're introducing a creative way to make these projects more affordable for the average person by providing a density model that could potentially have a large impact on the bay area housing crisis, and we are putting in motion steps to bring former artists and tenants back into these properties. We are taking the road less travelled and we're providing a working solution to one of Oakland's toughest problems.

#### Re: "preying on the economically disadvantaged"

oWow is taking large steps to provide affordability and bring former artist/tenants back into these properties. We're also striving to provide value to the existing surrounding neighborhoods and not just preferencing the needs of the artist communities.

Our 1919 Market Street project, for example, has partnered with James Vann, founding board member of Oakland Tenants Union, to implement a plan to offer previously displaced tenants back into the new live/work units that will be constructed at current Oakland affordable housing AMI rates (See Exhibit I). We're looking to incorporate a similar partnership to bring former tenants back in our 23rd and 24th Street projects, which were vacated years prior due to a deadly fire (See Exhibit J), caused by unsafe living conditions.

At 1919 Market and 2400 Filbert Street, we're also looking into community and social service-based businesses to potentially operate and live in many of our street-facing live/work units (this would not be allowed in normal residential apartments). Additionally, our 2400 Filbert property will be providing 15% affordable housing apartments, at 30% of 50% Oakland AMI, and all other units on the property will provide rents in the \$900's per person. We are accomplishing all of this with no public funds or subsidies on all of our properties, and we're saving existing distressed warehouses that require significant capital upgrades for human occupancy.

oWow has been working with a community consultant rooted and highly respected in West Oakland to help us bridge the conversation with existing communities, and we're voluntarily partnering with the group, Attitudinal Healing Connection, to engage in restorative justice healing circles with the all major stakeholders, including: oWow, City of Oakland, artists / former tenants, Alameda County, and the existing neighboring communities.

To provide value to the surrounding neighborhood, we elected to fully redesign our 1919 Market Street project, doubling our previous budget of construction while incurring new design and opportunity costs that many developers would have turned away from and cut their losses. The project has now added almost 1:1 parking for units, provides 1:1 bike spaces per tenant, will provide a playground and community room for the neighbors' access, will be applying for LEED gold certification, will provide solar renewable energy from the roofs, and will provide rents per person lower than any nearby apartment on the market.

#### Re: "attempts to mislead neighboring communities"

1919 Crew has been working with the community as best as we can. In a place that's in a constant dropzone for furniture, trash, graffiti, and crime, we can only manage the site within reasonable expectations. Our team has responded to numerous community letters, direct emails from neighbors, and the City of Oakland. All issues are always taken care of expeditiously, and we respond personally to all community members that request additional information or action. We've also created our own

website to inform the community of the project, which can be found at the following link: <a href="https://www.1919market.org/">https://www.1919market.org/</a>.

There are a few in the community that aren't willing to come to the table and consistently meet in exclusivity. We encourage that they meet with our team so we can better become partners and bring positive benefits to all stakeholders. For those that have been open to discussion, 1919 Crew has been working effectively to ensure all their concerns are met. Some of these partners have expressed letters of support, including our next door neighbor, Bishop Gregory Payton (See Exhibit K), who is a highly respected leader in this community, and a long-time resident of the Myrtle Street community, Michael Wellington (See Exhibit L).

#### **Projects:**

#### Re: 8024 Rudsdale Street

To clarify the misinformation presented in the OWC letter (See Exhibit A), please see the below itemized clarifications:

- "Unfinished 12-unit townhouse" This is incorrect
  - Project was an abandoned structure originally zoned as a group home for troubled youth.
  - Project was partially built, never received final occupancy or inspections, and was left abandoned for 14 years.
- "Tremendous upside for a developer" This is incorrect
  - A Pro Forma was required for the entitlement process. This Pro Forma proved that this
    project did not financially make sense, and that it required a density bonus combined
    with affordable housing to make the project work.
  - The abandoned structure of 14 years was built incorrectly. The cost to structurally upgrade equalled the buying price of the building.
- "Potential for rent control exempt status" This is incorrect
  - Project includes 15% very low income affordable housing for 30% of 50% AMI residents,
     and this is regulated for 55 years.
  - Note, these 15% units are privately subsidized, not publically, and are subject to affordable housing rent control limits.

#### Re: 2400 Filbert

To clarify the misinformation presented in the OWC letter (See Exhibit A), please see the below itemized clarifications:

- "Entitlements for this property date back to 2005" This is partially correct
  - The existing entitlements approved back in 2005 for 55 townhouses are no longer applicable, and construction standards today do not make this a viable solution for this neighborhood.

- oWow provided a better alternative which creates 15% of total units to be very low income affordable housing for 30% of 50% AMI residents, and this is regulated for 55 years. We are also providing units that allow for rents in the \$900's per tenant.
- "Take significant advantage of the low minimum size loophole in current live/work code" <u>This</u>
   is incorrect
  - As mentioned in the above response to "exploitation of the live/work building code for density purposes," everything is compliant with all codes, provisions, and allowed uses.
  - This project is a warehouse not designed for residential construction. This project allows housing to be built in a place where housing was not previously allowed.
- "Ethical considerations of bringing a Cookie-Cutter high-density above-market project" <u>This is incorrect</u>
  - Design studies were completed by two separate Oakland-based architecture firms that designed similar style units for modern Live/Work units.
  - Increased density allows for lower rents and more available units leading to greater access to housing in Oakland.
  - Cookie-Cutter high-density design provides more efficient use of energy systems and materials, more highly supported by the USGBC and LEED authorities, because it provides a more ethical approach for protecting both the planet and tenants' health safety.
- "Above market-rate units" This is incorrect
  - Based on current Oakland rent results, tenants are paying on average \$1400-\$1600 per person. We are providing units at 2400 Filbert Street in the \$900's per person.
  - We are also providing 15% of total apartments for very low income, 30% of 50% AMI residents, which are regulated for 55 years.

#### Re: 1919 Market Street

Many of the project points have been covered above in the general allegation responses. See additional clarifications to the OWC letter (See Exhibit A) below:

- "Lack of immediate life-threatening conditions" This is not correct
  - The City of Oakland has on record a history of all violations within the building. This can be available from the City upon request.
  - Per the above section "Tenants' rights violations," see example substandard unit (See attachment C). This was the situation in every unit, with illegal structures built, with a maze of spaces that were a fire-hazard waiting to happen. The City of Oakland recognized this and red-tagged the building.
- "Acquired a soft-demo permit...but instead structurally demolished over 75% of building" <u>This</u> is incorrect
  - As discussed in section "Tenants' rights violations," the original compliance plan was no longer viable once the building was red-tagged. A building permit to rebuild was required to rebuild the structure.

- All construction drawings submitted to the building department were reviewed and included the entire scope of demolition and removal of the building. The City of Oakland is responsible for providing the appropriate permits as shown in the project's scope of work and drawing set. Owow has complied with all permits and fees given from the City of Oakland to construct a building.
- Only 60% of the entire building was removed, not 75%. Old Building was ~53,000 SF, and we preserved ~23,000 SF as well as all street frontages.
- "Alameda county halted project...ordered Mr. Haber to hire a remediation company to evaluate the damage done" This is partially correct.
  - Per the above section "Blatant disregard for environmental regulations," oWow and Alameda County entered into a voluntary remedial action agreement (See Exhibit H), and oWow hired Pangea as an environmental consultant prior to any construction.
  - What is correct is that Alameda county did halt construction in October of 2016, to further investigate the subgrade contamination, which was previously less understood until construction commenced and exposed the existing slab built in the 1930's.
- "We recommend that the commission and District 3 staff urge an affordable housing developer to purchase the property"
  - oWow plans to provide affordable housing on applicable projects. If the commission and District 3 staff would give special permission to provide live/work affordable housing units, this would be a great benefit to the community and to these projects.
  - Currently, affordable housing is not allowed in live/work conversion. This can be affirmed by the City of Oakland's Planning Department.

#### Re: 392 11th Street

The NDO Group took possession of 392 11th Street, also known as Hotel Travelers, with twenty-five of seventy-eight occupied rooms. Prior to NDO Group, the remaining fifty-three units were rented nightly for up to \$100 a night. We had an opportunity to build a boutique hotel, but opted to build housing units.

- "Hotel Travelers...had been allowed to fall into disrepair" This is correct.
  - The previous owners, had over 20 citations and violations from the building department including a potential red tag in the early 2000's, an elevator without an emergency brake, a restaurant that was shut down by the health department on five separate occasions before being permanently closed down in 2015, illegally installed electrical panels that required an individual to manually switch on a live panel each night, rodent infestation, and plumbing lines that would regularly cause major sewage leaks.
- " pressuring tenants to leave, using small buyouts, short alternative hotel stays, and promises of right-of-return" - <u>This is incorrect</u>
  - Per the above section "Tenants' rights violations," Existing tenants were offered three main packages:
    - . A large relocation payment together with a newer rental unit were provided at equivalent prices tenants were paying at Hotel Travelers

- ii. A smaller relocation payment, housing in either a new home or hotel and the ability to come back at the tenant's original pricing upon development completion. We are anticipating six former tenants to return.
- iii. Tenant can remain in existing room, to be left in-kind, and all development would build around their units as a part of the design
- Most tenants opted for option 1, with very few opting to come back, and others chose relocation alternatives that also included long-term hotel stay options.
- "surrounded by construction debris from this unfinished project." This is incorrect
  - Following the Moratorium on SRO's, NDO Group hired local contractor Proforma
     Construction to complete the project. Proforma Construction has maintained clean and
     clear hallways, lighting, egress lighting, plastic protection over all construction areas to
     mitigate debris and provide clearly marked access for tenants.
- "Demolition commenced and continued on the building with Planning & Building knowledge, despite passage and extension of the SRO Conversion & Demolition Moratorium by City Council." - This is incorrect
  - The NDO Group received an exemption from the Moratorium on SRO's. Following the exemption, NDO Group contracted Proforma Construction to complete the project as the General Contractor.
- oWow continues to invest significantly in upgrading and installing major building systems including:
  - Fire Sprinkler System
  - o Fire Alarm System
  - Fresh and Exhaust Air System
- oWow voluntarily elected to seismically upgrade the building.
  - Previous probable maximum loss was approximately 40 (meaning that there would be a strong chance the building would collapse in a major earthquake).
  - The building is being upgraded to have a PML of < 20 which is the industry standard for new buildings.

#### Re: 669 24th Street

oWow took possession of 669 24th Street 2.5 years after a deadly fire took the lives of two tenants. The building was slowly deteriorating and causing concern for neighbors. The property was constantly being broken into by drug users, tagged with graffiti, and having trash dumped outside. The oWow team decided to remove used needles, trash, broken furniture, human feces, and debris from the site.

- Obstruction permits were obtained to build the plywood barricade.
- Permits are not required for debris removal.
- Debris removal was necessary to develop accurate architectural plans for the city of Oakland.
- The security guard has prevented multiple break-ins.

The goal for this project is to upgrade the property and provide the lowest possible rent for future and past tenants. The project will require significant upgrades to make the site code compliant and safe.

Plans are being developed by local, Oakland based consultants who are working diligently to design spaces that will help reach lower rents for future tenants.

While plans are being developed, oWow obtained an obstruction permit to build a plywood barricade to prevent future graffiti and deter break-ins. Currently all graffiti is painted over within 24 hours and there have been zero break-ins following the presence of our security guard.

#### Re: 674 23rd Street

oWow purchased the property from a Blackrock employee who had drawings to turn the building into luxurious 1-bedroom lofts. When oWow took possession of the property, the existing layout was not code compliant. Some examples include hazardous materials in the building, subfloor and roof holes and dry rot, non-compliant exit systems, lack of fire sprinkler and fire alarm systems. oWow is working on building a beautiful code compliant live / work project that will offer lower rents than other properties being developed in the area.

#### O.M.C. 15.60.100(A):

- 674 23rd Street was a warehouse and is being converted into twenty-four live /work units.
- oWow has designed and is building the most cost-effective living solution for previous and future tenants.

#### Rents:

- oWow is targeting rents from \$900-\$1,100 per person
- Previous rents were from 2.5 years ago and have not been adjusted to reflect current market rents or costs to build out a legal building.

#### **Next steps:**

oWow is working diligently to serve all parties of interest and resolve any and all concerns. We are happy to hold community meetings, receive and act upon feedback, and work with all stakeholders going forward. These developments will be a success if oWow is able to fulfill our mission to build compelling living spaces at below market rents. We want to build spaces that add to existing communities, provide positive interactions both in and outside the building, and provide working solutions to the bay area housing crisis.

At the end of the day we are all partners on these projects, and we all have an important role to help solve the modern housing crisis, bring progress to the City of Oakland, and provide positive impacts to all existing and future communities. It all comes down to one simple truth, and that is that we are <u>all</u> in this together.

We have listened, and we are taking action.

Sincerely,

## oWow Development Team

Danny Haber

Alon Gutman

Arsean Maqami

Arsean Magami

Jeremy Harris



ADVOCATING FOR AFFORDABLE ALTERNATIVE HOUSING SINCE DECEMBER 2ND 2016

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District 2, 3, 7, and At-Large Staff

Re: Six Current Danny Haber Projects

Oakland City Attorney and Alameda County District Attorney staff have been conducting a detailed investigation of Danny Haber's real estate dealings and projects since 2016, but no legal action has yet been taken. Oakland Warehouse Coalition, 1919 Market Neighbors, and current and former tenants of Haber-owned buildings have spoken extensively about Mr. Haber publicly at City Council, in private meetings with Councilmembers, and directly with City Attorney staff. OWC Executive Director Jonah Strauss spoke on this topic during Open Forum at the Planning Commission on July 19th, and Mr. Nagraj requested a follow-up.

In the following pages, we provide basic information about all of Mr. Haber's unfinished properties in Oakland, in order to raise awareness and provide opportunities for the Commission to confirm facts with City Attorney staff. Our assumption here is that the Commission has extensive access to City and County records, all existing Public Records Requests, and can acquire civil dockets both past and present. Oakland Warehouse Coalition maintains a reference list of Haber-related litigation, available upon request.

Mr. Haber's uniquely aggressive and cavalier approach to redevelopment has involved egregious tenants' rights violations, blatant disregard for environmental regulations, avoidance of Design Review, exploitation of the live/work building code for density purposes, and deliberate attempts to mislead neighboring communities about the paths of his projects. Mr. Haber seeks out properties that are distressed or fire-damaged, and/or whose tenants are in precarious situations due to potential Code Enforcement action. The practice of preying on the economically disadvantaged and those in crisis for profit is commonly referred to as Disaster Capitalism.

Background information on Mr. Haber's work:

- \* Anti-Eviction Mapping Project's Danny Haber / Alon Gutman page, which is the first point of reference for those unfamiliar
- Haber's underage liquor delivery service at the University of Wisconsin, fines reduced by suing the City of Madison
- SF Examiner on fly-by-night redevelopment and prohibition of right-of-return at The Negev Folsom in SOMA
- SF Examiner on unpermitted density and code violations at The Negev Sixth in SOMA
- SF Examiner on Haber's early exploitation of the AirBnB platform at The Negev Twelfth in SOMA
- Mission Local on Haber's SRO room-flipping at the Graywood Hotel in the Mission, prior to its fire
- West Oakland Warehouse Ride-a-long Podcast: Part Two (1919 Market / 24th Street / 23rd Street) and Part Three (Hotel Travelers)



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#### SIX CURRENT DANNY HABER PROJECTS

#### 1. 8024 RUDSDALE STREET, 94621, COUNCIL DISTRICT 7

8024 Rudsdale was reviewed by the Planning Commission on June 7th of this year. The applicant is architect and project manager Jeremy Harris, who shares an office with Mr. Haber on Pier 54 in San Francisco. This is an unfinished 12-unit townhouse project in District 7 that Haber bought as SVG Hadash LLC for \$650,000 and is flipping for \$1.3M (MLS#40784239, Michael Pagones of BHHS Drysdale Properties). From the listing: "Owners are currently nearing the last stage of the entitlement process to have the structure approved for 15 units. Tremendous upside for a developer to complete the proposed project. Potential for rent control exempt status upon completion."

We recommend that the Commission halt the entitlement process entirely, and work to find an appropriate buyer that is both local to District 7 and demonstrates a commitment to make the resultant rental property accessible to local low-income tenants. Please consult District 7 staff for the history of Haber's outreach in this community – it is our understanding that Haber misrepresented his goals in order to gain neighbor support.

#### 2. 2400 FILBERT STREET, 94607, COUNCIL DISTRICT 3

2400 Filbert was last brought before the Commission on <u>December 21st of 2016</u> (00:06:00); it is our understanding that the neighbors were not notified. Current majority owner is Martin Pham / TNP Real Estate Investment, with Haber as the developer, together as 2400 Filbert LLC or "YPP" as stated by Haber. Purchase was at least \$4.6M. The entitlements for this property date back to 2005, relying on total demolition and a 55-unit townhouse design with generous green space, which was presented for extension at the Commission hearing, supported by its original architect. Nine days later, on December 30th, Mr. Haber submitted plans for a more cost-effective cut-and-paste 39-unit conversion that uses the existing buildings' shells but adds height. The application asks, "Do we need to go to the Planning Commission with the above questions?" demonstrating a preference to avoid doing so, as is traditional in Haber's work.

These units take significant advantage of the low minimum size loophole in current live/work code. They are a mix of four- and five-bedrooms, with the fourth or fifth bedroom in each unit labeled "Office" for compliance purposes. Thus, there will be at least 160 to 200 new high-income residents in the neighborhood. The ethical considerations of bringing a cookie-cutter high-density above-market-rate project into a primarily low-income African-American West Oakland community are not insubstantial. In a strange recent turn of events, the property was recently listed for rental in multiple scattershot ads on Craigelist.

We recommend that the Commission insist upon the applicant coming before it for review, that the neighbors be notified of the hearing, that minimum live/work size requirements be not considered good design if applied unilaterally across a project, and that significant affordable housing concessions are made for renters in the 20%-60% of AMI bracket.



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#### 3. 1919 MARKET STREET, 94607, COUNCIL DISTRICT 3

1919 Market is widely considered the pinnacle of Mr. Haber's disrespect for the City of Oakland, the live/work arts community, and surrounding neighbors. The 33-unit, 100+ tenant property was distressed after years of neglect by former owner Seth Jacobson and former management company Madison Park. Mr. Haber became the Owner's Agent and unlicensed property manager, removing tenants with a variety of pressure, buyout, and eviction tactics, documented in multiple lawsuits. Under Rachel Flynn's direction, the property was red-tagged by Code Enforcement, despite lack of an immediate life-threatening condition; the remaining tenants were given 72 hours to gather their possessions. This de facto unlawful eviction was very convenient for Mr. Haber.

Mr. Haber acquired a soft demo permit after extensive communication with Code Enforcement regarding a phased compliance plan, but instead he structurally demolished over 75% of the building without advance environmental precautions, leaving the façades mostly intact. The County of Alameda halted the project, and ordered Mr. Haber to hire a remediation company (Pangaea) to evaluate the damage done to the surrounding neighborhood. In addition to the dust distribution across the surrounding blocks at time of demolition, there remains a Benzene-heavy soil gas plume underneath the Northern edge of the property and at least one neighboring home.

- \*KPIX video and writeup on tenant and neighbor experiences at 1919 Market
- \*Rachel Flynn alerting Sabrina Landreth of Planning & Building's intent to "evict" the tenants (Pg. 1-2)
- \*Rich Fielding asking PG&E to shut off service, lying about both building occupancy and communications with owner (Pg. 11)
- \*Tim Low demonstrating knowledge of environmental concerns long prior to demolition (Pg. 5)
- \*1919 Market Neighbors' letter to Darin Ranelletti on March 31st and Mr. Ranelletti's response on May 18th
- \*Geotracker archive of documentation for the County-mandated environmental remediation at 1919 Market

We recommend that the Commission and District 3 staff urge an affordable housing developer to purchase the property, fully remediate the environmental concerns, and submit a planset that accommodates both former and new tenants in a law-abiding and neighborly fashion, as detailed in the 1919 Market Neighbors' letter to the Planning Department on June 23<sup>rd</sup>. Haber's purchase price as 1919 Crew LLC is unknown for this property; there is speculation that Mr. Jacobson retains an interest.

#### 4. 392 11th STREET, 94607, COUNCIL DISTRICT 2

Hotel Travelers was a midsize Single Room Occupancy hotel in the Central Business District that had been allowed to fall into disrepair around its very-low-income elderly and disabled tenants. Upon Haber's purchase of the property as NDO Group LLC for \$5.35M, "Implementation Specialist" Dion Ross began the process of pressuring tenants to leave, using small buyouts, short alternative hotel stays, and promises of right-of-return. Six tenants fought back in RG16822634, including harm reduction counselor Orlando Chavez and cancer survivor Peter Howe, who to our knowledge remain in the building today, surrounded by construction debris from this unfinished project. Demolition commenced and continued on the building with Planning & Building knowledge, despite passage and extension of the SRO Conversion & Demolition Moratorium by City Council.

- •Mr. Strauss, Mr. Ross, and Mr. Chavez speaking at the extension of the SRO Conversion & Demolition Moratorium (02:03:00)
- \*East Bay Express on the remaining tenants at Hotel Travelers and the resultant Tenant Protection Ordinance lawsuit
- \*SF Gate on Haber's intent to open a new bar at the Hotel Travelers



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We recommend that the Commission and District 2 staff partner with the County in order to negotiate a purchase price with Mr. Haber, utilizing bond funding from Measures KK and A1 to secure the property as very-low-income bousing that allows for the return of all prior tenants in need, or as a homeless transitional center in the style of the Henry J. Robinson. Regardless of the building's fate, we recommend that Mr. Chavez and Mr. Howe be provided lifetime heavily-subsidized housing in the Central Business District, in recognition of their troubles and the City's lack of oversight on this project.

### 5. 669/671 24th STREET, 94612, COUNCIL DISTRICT 3

1/8<sup>th</sup> of the non-conforming live/work property at 669/671 24<sup>th</sup> Street burned on the night of March 21<sup>st</sup>, 2015; Fire Prevention Bureau Inspector Maria Sabatini's fire report listed the cause as undetermined, likely involving smoking materials. The cause is presumed to be accidental. There were two fatalities. The building was red-tagged and remains so to this day.

The thirteen surviving tenants (including Mr. Strauss at 671 24th Street, Unit A) attempted to convince the owner at the time, Coldwell Banker realtor Kim Marienthal, to work rapidly with Planning & Building to prevent further damage to the building and come into compliance in order to enable their return. Mr. Marienthal worked only with his independent insurance adjuster, receiving an undisclosed settlement in the Fall of 2015. There was an accompanying preapplication that violated the Code Enforcement Relocation Ordinance by subdividing units. No permits were pulled, and no maintenance or improvements were done. The building was squatted and fell further into blight. On March 2nd of this year, Haber bought the building as 671 24th Street LLC for \$1.3M on paper, but Haber has stated that "it was more than that." Marienthal had purchased the building in 2012 for \$890K, thus gaining \$410K profit from the sale, and undisclosed (but surely significant) profit from the insurance settlement.

After the sale, Mr. Haber obtained an obstruction permit, ran an unpermitted power line over the roof from the 23<sup>rd</sup> Street property (#6, below), snaked air compressor lines through the building in preparation for demolition, and allowed his employee Arsean Maqami to move in an unlicensed contractor to oversee debris removal. This contractor was living in 669 24<sup>th</sup> Street, Unit B, and may still be, despite its ongoing legal possession by its long-time tenant at time of fire. This was witnessed on June 27<sup>th</sup> by Specialty Combination Inspector Wing Loo, who decided the associated Code Enforcement complaint was Non-Actionable.

All written attempts by the tenants to speak with Mr. Haber about the property have been met with short emails in which Mr. Haber avoids answering all questions posed. Right of return has not been acknowledged, and Mr. Haber has refused mediation at SEEDS, saying "hopefully we can all work together to get this building built." Mr. Haber sought out the Warehouse Coalition at Life Enrichment on July 11th, while we were advocating for homeless housing, and made a bizarre attempt to convince Mr. Strauss that his practices are legal and ethical. Most City of Oakland employees who interact with Mr. Haber report that he is casual and charming; that is an accurate description, and may explain his continued success with the Planning & Building Department.

<sup>\*</sup>East Bay Express on the original landlord/tenant issues

<sup>\*</sup>Mercury News update after the insurance claim was settled

<sup>\*</sup>East Bay Express on the sale of 674 23rd Street to Haber (Property #6, below)



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We recommend that the property be removed from Mr. Haber's possession by Eminent Domain, or placed into Receivership, with compliance managed by an ethical developer or Land Trust. The property should be rebuilt simply, without "gold-plating." The developer should respect the surviving tenants' right of return, all units' original sizes and facilities should be maintained, and a Certificate of Occupancy should be achieved.

### 6. 674 23<sup>rd</sup> STREET, 94612, COUNCIL DISTRICT 3

The 24<sup>th</sup> Street and 23<sup>rd</sup> Street properties are conjoined, initially built together as a National Guard armory, but their only pass-through has been walled off for many years. Details on the buildings' construction are on file with Historic Preservation. 23<sup>rd</sup> Street is a much larger building than 24<sup>th</sup> Street, and housed at least 26 live/work tenants in non-conforming units, and three well-established printing and publishing businesses, at time of fire. On March 21<sup>st</sup>, 2015, the fire leapt from 24<sup>th</sup> Street, over the roof, and damaged three units at the back of the building. There were no fatalities.

In contrast to Mr. Marienthal's post-fire behavior, David "Jux" Beck, the 23rd Street owner, immediately complied with Code Enforcement's red tag, and brought his property back into commercial compliance within months. Unable to fund the change of use to Joint Live/Work Quarters, Beck sold the property to a community-oriented developer, who ultimately was also unable to fund the change of use. That developer then sold to Haber (as 674 23rd Street LLC) in late 2016, for \$3.65M. Haber contracted with Baran Studio Architecture to draw plans for conforming live/work spaces that met the minimum size requirements, but that would not be large enough to allow Haber to comply with O.M.C. 15.60.100(A), the comparable unit requirement in the right of return section of the Code Enforcement Relocation Ordinance. The planset also violated O.M.C. 8.22.640(A)(16), in the Tenant Protection Ordinance, whereby removing a housing service for the purpose of causing the tenant to vacate the rental unit constitutes harassment. It is the Warehouse Coalition's understanding that the tenants of 674 23rd Street retain both possession and right of return.

Haber was granted a Design Review Exemption (DRX161698). The Baran Studio plans (B1605275) required a full gut of the building, but Haber acquired a soft demo permit (B1702647) on Friday, June 16th. On that day, Mr. Strauss had an upcoming meeting with Mr. Ranelletti about all Haber properties, thought to check for updates, and discovered the soft demo permit's issuance. Knowing that Mr. Haber would be demolishing over 75% of the building but leaving the façade, as had been done with 1919 Market Street, Mr. Strauss petitioned Permitting staff to halt construction pending Planning Commission review. Permitting staff withdrew the soft demo permit due to its questionable legality. Mr. Strauss met with Tim Low to demonstrate that the planset violated 15.60.100(A); Mr. Low revoked the permit, emailed Mr. Haber, and posed the question of the planset's legality to Maria Bee. On Monday morning, June 19th, Mr. Haber went to Permitting, had the planset approved with Mr. Low's knowledge, and commenced demolition. Mr. Haber sent an email to Mr. Strauss at 10:06am: "Hi Jonah somebody at building Dept told me you came running and screaming about soft demo permit at 23rd street? What is end goal?" [sic] That week, Mr. Strauss appealed to Mr. Ranelletti, City Attorney staff Richard Illgen, Maria Bee, and Erin Bernstein, Mayor's Office staff Joanne Karchmer and Kelley Kahn, and Councilmembers Lynette Gibson-McElhaney and Rebecca Kaplan. Mr. Illgen, Ms. Karchmer, and Mr. Ranelletti met to discuss the topic.

On Saturday, June 24th, in response to an email by DIY Safety Group, Specialty Combination Inspector Randy Schimm placed a Stop Work Order on the obstruction fencing at the property. However, work continued the following week. Mr. Low was evasive when asked directly about why he allowed construction to continue, referring Mr. Strauss to Aubrey Rose in Zoning, which was a



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dead end. In that same conversation with Mr. Low, Mr. Schimm appeared sheepish, as if he had been in error by enforcing the demolition's revocation. The last follow-up on this topic made by Mr. Strauss was in person with Mr. Ranelletti on Monday, June 26th, who appeared dismayed when informed that Mr. Schimm issued the Stop Work Order. To this date, Mr. Strauss has not received a direct answer from any City of Oakland employee as to why demolition was allowed to continue, why a Design Review Exemption was granted in the first place, and why Mr. Haber is consistently permitted to circumvent both Planning Commission oversight and public hearing.

The building shell currently stands empty, awaiting twenty-four minimum-sized live/work units slated for occupancy by a maximum number of high-income, largely white tech employees at \$1200-\$1500 per month each. The average tenant prior to the fire paid \$600-\$800 per month. Like its sister property on 24th Street, 674 23td Street sits in the middle of a primarily black working-class neighborhood, itself surrounded by a rich street culture. These life-long Oaklanders need the City's support much more than the new colonists. Emerge from the doors of 674, walk straight across 23td Street into St. Vincent DePaul, walk left to the major encampment at 23td & Martin Luther King, or walk right to the SROs on San Pablo. Visit Qilombo community center while you can; Danny Haber recently put an offer on their vegetable garden.

As with 669/671 24th Street, we recommend that the property be removed from Haber's control, and responsibly rebuilt to accommodate all former tenants who wish to return, with the remaining space held for low-income housing and community use.

#### HABER EMPLOYEES

- Alon Gutman initial partner
- Yaniv Lushinsky initial partner, legal consult
- Peggy Moore Community Liaison
- Jeremy Harris Architect, Project manager
- Dion Ross Project Manager
- Arsean Maqami Project Manager
- Ed Singer Lawyer
- Zach Wasserman Lawyer

#### HABER COMPANIES

- http://www.OWOW.com
- http://www.TheNegev.com
- The Negev LLC
- The Negev 2 LLC
- \* 1919 Bayside LLC (1919 Market management)
- 1919 Crew LLC (1919 Market owner)
- NDO Group LLC (392 11th owner)
- SVG Hadash LLC
- 674 23<sup>rd</sup> Street LLC
- 671 24th Street LLC

## **EXHIBIT B**



08 July 2015

City of Oakland Departments: Building, Fire and Planning 250 Frank H. Ogawa Plaza Oakland, CA 94612

Proposed compliance plan schedule for property located at: 1919 Market Street; Oakland

To: Marie Allene Taylor, Edward Labayog, and David Valeska

Dear Marie, Ed, and David,

Thank you so much for our productive meeting last week. Since our meeting, we have prepared a proposed schedule to address the safety violations in the property. Many of the tenants have scheduled move-out dates, others will need to be relocated in the building as renovated units become available. We've taken these dates into consideration in preparation of the timeline included herein.

Due to the large number of people in the building, we are doing our best to provide a reasonable timeline for their demolition work and relocations. Our approach will be to immediately correct the units which appear to have minimal violations. At these units, we can more easily install compliant egress windows and correct the simple violations apparent. Our initial Phase 1 corrections will bring safety to over 20% of the units, which we feel is a good step forward.

Some of the timelines below may change based on tenant negotiations/legal entanglements. Also, we are trying to obtain information about timelines for ordering of window systems and necessary improvements to the sprinkler system. Should the lead times for these two areas exceed the timeframes noted below, we will notify you immediately and recalibrate the schedule as needed. Finally, we anticipate 1 month for City reviews and permit approvals at each phase. This may also change pending city reviews.

Phase 1 (21.6% units to be renovated/vacated):

Begin immediately

Permit Submittal: August 31

Estimated completion: November 15

#### Notify the tenants of the unsafe conditions. (Immediately)

Employ a fire sprinkler contractor to evaluate the existing conditions (Immediately)

Notify tenants with interior garages that parking will not be permitted inside their dwelling units (Immediately) Unit N will be vacated and not reoccupied.

Begin preparation of documents for improvements to currently vacant units and units with minor work. Units D, L, K, 16, 11, X, and 101 will be improved during this phase as follows: Unit D (currently vacant):

Fully renovate unit.

Unit L (to be vacated July 31st):

• Fully renovate unit; install stair to Unit 101 above for second means of egress.

Unit K (renovate while occupied): (This unit is an open plan with no additional framing. It is currently occupied as a studio apartment)

 Install new egress windows, insulate roof, install heater, modify sprinklers if needed, install fire rated door to corridor.

Unit 16 (renovate while occupied): (This unit is an open plan with no additional framing. It is currently occupied as a studio apartment)

 Install new egress windows, insulate roof, install heater, modify sprinklers if needed, replace noncompliant water heater flue, install fire rated door at corridor.

Unit 11 (renovate while occupied): (This unit is an open plan with no additional framing. It is currently occupied as a studio apartment)

- Install wood framed platform with steps under window for egress access.
- No other improvements for now.



 Later this unit will be vacated in February of 2016 for major construction at the interior corridor of the building.

Unit X (renovate while occupied): (This unit was originally part of the office space and has sprinklers throughout, as well as compliant egress windows fronting onto Market Street)

 Replace windows at rear bedrooms with compliant sill height, install fire rated doors at corridor, and eliminate sleeping room without egress windows.

Unit 101 (renovate while occupied): (This unit was originally part of the office space and has sprinklers throughout, as well as compliant egress windows fronting onto Market Street)

 Replace windows at rear bedrooms with compliant sill height, install new stair down to corridor below for compliant second egress, install fire rated doors at corridors.

#### Phase 2 (40.5% units to be renovated/vacated):

August 1: notify tenants that they must remove all framing installed without permits.

To be completed by move-out date or December 1st at latest.

Begin August 31 (tenant move-out dates)

Permit Submittal: October 1

**Estimated completion: December 1** 

Several units will be vacated and not reoccupied at areas of more major work: Unit "mechanical", Unit 15, Unit 14, Unit 13

Units 18, I, A, will be improved during this phase as follows: Unit 18 (to be vacated August 31): Fully renovate. Unit I (to be vacated August 31): Fully renovate. Unit A (to be vacated August 31): Fully renovate.

### Phase 3 (51.3% units to be renovated/vacated):

Begin September 30 (tenant move-out dates)

Permit Submittal: November 1
Estimated completion: February 1

Units 5, 6, M, and O, will be improved during this phase as follows:

Unit 5 (to be vacated September 30th): Fully renovate.

Unit 6 (to be vacated September 30th): Fully renovate.

Unit M (to be vacated September 30th): Fully renovate.

Unit O (to be vacated September 30th): Fully renovate.

### Phase 4 (72.9% units to be renovated/vacated):

Begin December 1 (tenant move-out dates)

Permit Submittal: January 1
Estimated completion: March 15

Framing must be removed from all units by this date.

Several units will be vacated and not reoccupied at areas of more major work: Units 12, 10, Unit 9, Unit 8, Unit 4, Unit 3, and 200 will be vacated by December 1.

Units E, B, 19, 17, and J, will be improved during this phase as follows:

Unit E (to be moved out/relocated December 1st): Fully renovate.

Unit B (to be moved out/relocated December 1st): Fully renovate.

Unit 19 (to be moved out/relocated December 1st): Fully renovate.

Unit 17 (to be moved out/relocated December 1st): Fully renovate.

Unit J (to be moved out/relocated December 1st): Fully renovate.

#### Phase 5 (100% units to be renovated/vacated):

Begin February 1 (tenant move-out dates)

Permit Submittal: March 1
Estimated completion: May 15



Units C, H, G, F, will be improved during this phase as follows:

Unit C (to be vacated February 1st): Fully renovate.

Unit H (to be vacated February 1st): Fully renovate.

Unit G (to be vacated February 1st): Fully renovate.

Unit F (to be vacated February 1st): Fully renovate.

#### Unit Renovations include but are not limited to the following:

- Modifications to sprinkler system.
- Installation of fire rated door assemblies at corridors.
- Installation of fire rated separations between dwelling units.
- Installation of insulation throughout wall and ceiling/roof assemblies in compliance with Title 24.
- Installation of new exterior windows and doors throughout to comply with egress requirements
- Installation of heating systems throughout.

#### Additional work:

The preceding schedule outlines our strategy for complete renovation and evacuation of the building. As you can see, our focus is to renovate the perimeter units with street access and vacate the interior spaces while we work on a more involved construction solution at those spaces.

Due to the large interior spaces, more extensive work will be required in the central corridor of the building and at the units abutting the adjacent property line. We are working on design solutions for installation of interior courtyard spaces to provide light/ventilation at these areas of the building. The work will include a major reconstruction of these interior spaces.

Our goal is to have a permit submittal ready for the middle spaces (units 7-15, and "mechanical") by December. We anticipate approximately a year for construction, with an anticipated completion of February 2017 at that area.

For the units abutting the property line (Units 3, 4, 200), the tenant improvements are very involved and will take longer to survey. Our goal for this area is to have a permit submittal ready in March of 2016 at these areas, with an anticipated completion of May 2017 at these areas.

Additionally, a portion of Unit 3 faces Market Street. In an effort to help with the tenants displaced from these units, assuming we can take possession of a portion of Unit 3, we will install 3 units fronting onto Market Street. The schedule for these units will be determined after further conversations with the tenant for those spaces.

We look forward to your feedback about our proposal. Please let us know if you require any additional information.

Sincerely,

Serina Calhoun

Principal Architect

syncopatedarchitecture

415.558.9843 serina@sync-arch.com

GROUND FLOOR

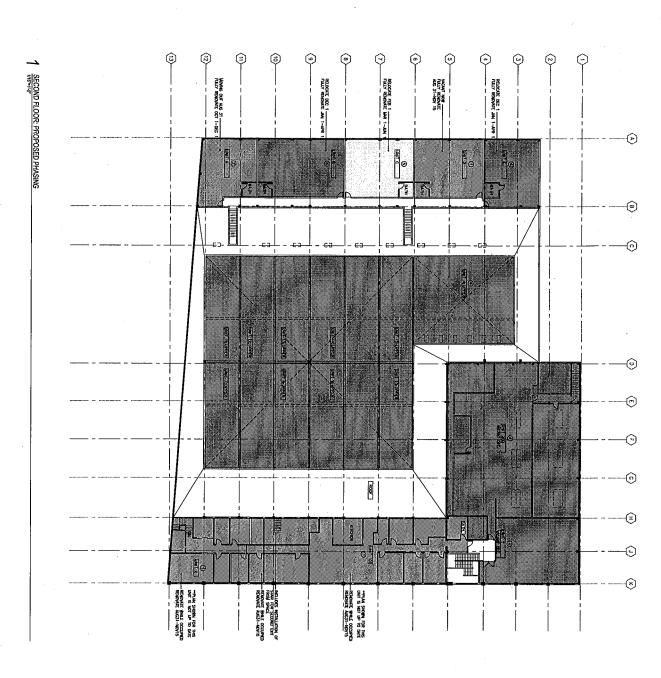
SCALE: 1/16" = 1'-0"

(415) 558-9843 P serha@syno-arch.com SERINA CALHOUN

1919 Market Street
Oakland, CA
PROJECT NO. 15-21

1919 Market Street Oakland, CA





SECOND FLOOR

SERINA CALHOUN SCALE: 1/16" = 1'-0"

1919 Markel Street
Oakland, CA
PROJECT NO. 15-21

1919 Market Street Oakland, CA



# **EXHIBIT C**



## **EXHIBIT D**

## CITY OF OAKLAND



DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 3315 • OAKLAND, CALIFORNIA 94612-2032

Planning and Building Department Office of the Director

(510) 238-3941 FAX (510) 238-6538 TDD (510) 238-3254

#### VIA ELECTRONIC MAIL

May 18, 2017

CB Smith-Dahl, cbsmithdahl@gmail.com Gabriel Harber, g@harberphotography.com Tim Teichgraeber, timskyscraper@gmail.com

Re:

1919 Market Street Project

Dear Ms. Smith-Dahl and Messrs. Harber and Teichgraeber:

This letter responds to your letter dated March 31, 2017, regarding the redevelopment at 1919 Market Street in West Oakland. Thank you for your letter and for taking the time to express your concerns. I apologize for the delay in responding to your letter. The City takes your concerns very seriously and wanted to make sure we had all the necessary information to properly respond to the issues you raise in the letter.

I'm sorry this project has been a frustrating experience for you and others. You and other members of the public deserve more information about the project. I hope this letter provides you with useful information.

#### Blight

As of the date of this letter, graffiti and trash at the site have been removed. If you see future graffiti, trash or other blight at the site, please do not he sitate to call Code Enforcement at (510) 238-3381.

#### **Electric and Gas Service**

On November 24, 2015, the City issued a Declaration of Substandard/Public Nuisance to the property owner. Per standard practice, the Declaration was accompanied by a draft letter to PG&E to inform the property owner of the City's intent to request PG&E to disconnect electric and gas service to the building. As you may know, the property owner appealed the Declaration and building occupants were allowed to stay in the building until January 31, 2016. The City ultimately did not send the letter to PG&E or otherwise instruct PG&E or the property owner to disconnect electric and gas service because it was no longer necessary to protect the safety of the occupants once the building was unoccupied.

#### Community Review / Design Review

The Oakland Planning Code adopted by the City Council contains the procedural requirements for the review of proposed development projects, including which projects require public notice and which entity – City staff, the City Planning Commission or the City Council – is responsible for reviewing and approving a project. The 1919 Market Street project was reviewed and approved by City staff in accordance with the requirements of the Planning Code. The project is considered a conversion of a nonresidential building to Joint Living and Working Quarters (i.e., "live/work"). The live/work regulations exempt such conversions from meeting certain standards and procedures otherwise applicability to new residential units, such as parking, open space and public notification requirements. In this case, the Zoning Manager considered the project to be a conversion instead of new construction because not more than 75 percent of the building was to be reconstructed and the finished project would not exceed the overall exterior envelope of the existing building. Both of these considerations are consistent with Planning Code provisions concerning alterations/conversions and new construction.

#### **Scope of Building Permit**

As you correctly point out, the developer exceeded the approved scope of the original building permit. Upon receipt of this information, the City sent an inspector to the site who confirmed that the building was being modified beyond what was authorized in the permit. In accordance with City policies and procedures, the developer was notified and subsequently submitted revised plans and received City approval for revisions to the project to match the work occurring at the site. The purpose of the City's inspection system is to confirm if work is being done in accordance with a permit. If the work does not match the permit, the work must be altered or a revised permit issued. If a revised permit is issued, as is the case here, no fines or penalties are charged to the developer.

#### **Environmental Hazards**

We agree that it is important to abate environmental hazards at the site in order to protect the health and safety of neighborhood residents and future occupants of the building. The project site, like many formerly nonresidential sites in Oakland, is considered a "brownfield" site meaning hazardous substances are present. The redevelopment of brownfield sites is subject to a variety of local, regional, state and federal laws and requirements. The West Oakland Specific Plan, adopted by the City Council in 2014 to guide future land use decisions in West Oakland, contains more information about this regulatory framework (Chapter 7.3). It is important to note that the City enforces City laws related to development but not the laws enforced by other agencies, including the remediation of environmental hazards. It is the responsibility of the developer to seek and obtain the necessary approvals from the applicable regulatory agencies. In this case, as you know, the Alameda County Environmental Health Department is overseeing the environmental remediation work at the site. Although the City is not responsible for overseeing the environmental remediation, we are working closely with the County to coordinate oversight of the project. We understand that the developer is working with the County to obtain the necessary approvals to move forward with the project. To ensure that agency oversight of the project is coordinated, the City has instructed the developer to halt all construction activities at the site until the necessary approvals are obtained from the County and to submit a Construction

<sup>&</sup>lt;sup>1</sup> The West Oakland Specific Plan is available on the City's website at www.oaklandnet.com/planning (under "Specific and Area Plans").

Management Plan to the City that explains how the project is complying with County and City environmental requirements during construction of the project.

#### **Future Project Design and Review Process**

In your letter you identify some concerns related to the design of the project, specifically related to parking, bicycle parking, building setbacks, landscaping, and commercial space. We understand that the developer is considering making design changes to the project. To date no plans have been submitted to the City for these revisions. Since we have not seen any revised plans yet, we don't know if future revisions will address your concerns or if a formal public review process will be required by the Planning Code for the proposed revisions. We intend to notify you if and when revised plans are submitted to the City.

#### **Proposed Rental Arrangement**

Regarding your concerns about the possibility of the developer renting out individual rooms or beds in the project, the approved plans call for live/work units with kitchens in each unit. We understand from conversations with the developer that each live/work unit is planned to be rented separately; individual rooms or beds would not be rented separately. However, the City's zoning and building regulations would not preclude the owner from leasing rooms or beds separately or preclude a tenant from subleasing a room or bed to a roommate as is typical in many apartment living arrangements in the city. A dormitory or rooming house with a central kitchen instead of individual kitchens in each unit would not be allowed by the Planning Code.

#### **City Commitment**

Thank you for expressing your concerns about this project. We agree that it is important that this project be implemented in a responsible way. The City is committed to working with neighborhood residents, the developer and Alameda County to achieve desirable outcomes for this project.

Please contact me at (510) 238-3663 or dranelletti@oaklandnet.com if you have any questions.

Sincerely,

Darin Ranelletti

Interim Director, Planning and Building Department

Cc:

Mayor Libby Schaaf, officeofthemayor@oaklandnet.com
Sarina Landreth, City Administrator, ymorris@oaklandnet.com
Michael Hunt, Mayor's Office, mhunt@oaklandnet.com
Keith Schuerholz, Oaklanders' Assistance Center, kschuerholz@oaklandnet.com
Claudia Cappio, Assistant City Administrator, ccappio@oaklandnet.com
Alex Katz, City Attorney's Office, akatz@oaklandnet.com
Brigitte Cook, Councilmember Lynette Gibson McElhaney's Office, bcook@oaklandnet.com

Councilmember Rebecca Kaplan, atlarge@oaklandnet.com
Dilan Roe, Alameda County Environmental Health Department, dilan.roe@acgov.org
Oakland Warehouse Coalition, oaklandwarehousecoalition@gmail.com
Neil Gray, Planning and Building Department, ngray@oaklandnet.com
Rich Fielding, Planning and Building Department, rfielding@oaklandnet.com
David Miles, Planning and Building Department, dmiles@oaklandnet.com

# EXHIBIT E HIGGINBOTHAM

885 Bryant Street, 2nd Floor San Francisco, CA. 94103

June 7, 2017 ·

City of Oakland 1 Frank Ogawa Plaza Oakland, CA 94612

RE: 1919 Market

#### Dear Ms. Bernstein:

As you may be aware, my office represents approximately 40 previous tenants that once lived at 1919 Market Street in West Oakland. Many of our clients are artists, musicians and creative individuals who shape society with their talents and passion, yet do not obtain or care to obtain the financial gain that most of society focuses on. The situation at 1919 Market Street has been doleful for over 15 years. This is not a new situation; there are similar buildings maybe smaller in size but equally as dangerous spread all over Oakland.

While the former owners of the property and the former tenured property management team reaped the benefits of packing as many tenants into the warehouse as possible, the individuals lived in dangerous, inhabitable residences and were then forced to vacate within 60 days right after the holiday season in January of 2016, upon the building being red tagged.

When we first became involved in 1919 Market Street, I personally toured the interior of the vast warehouse and was astonished at the number of people residing at this location, and the inherent danger that was behind every door. After the first couple of inspections, our curiosity turned to fear due to the obvious and ubiquitous electrical and fire hazards throughout the warehouse.

The City of Oakland was quick to condemn the building and favored permanent displacement as opposed to working with the current property manager to create a compliance plan which would have resulted in the tenants remaining in the building.

Before the horrific tragedy of the Ghost Ship fire, these warehouses, of which I am familiar with a few dozen, went unnoticed and their residents ignored.

Throughout this process the only helpful individual(s), were Danny Haber and his team. At first I was apprehensive in my dealings with them as they were the current property manager, and I let my feelings be known directly to Mr. Haber.

Eventually they worked with our office; to try and create compliance plans that would have fixed up the building while tenants were in place, secondly to delay the red tagging of 1919

# HIGGINBOTHAM

885 Bryant Street, 2nd Floor San Francisco, CA. 94103

Market Street (the city decided originally to red tag the building right after thanksgiving and few weeks before Christmas), and finally to provide significantly higher relocation fees than the local rent ordinance provided.

One of my clients in the building had a very difficult situation with close to 30 subtenants in his 3 units and it is my belief without the help from Danny and his team at 1919 Bayside, the residents would have chained themselves to their the doors and the city would have had to resort to law enforcement to remove people.

We did not always see eye to eye on all issues, but as to the bigger picture there was no greater assistance than Mr. Haber and his team during the onerous and chaotic 60 days wherein all the resident of 1919 Market Street were forced to vacate after the City of Oakland red-tagged the building in November of 2015.

Should you have any questions about this correspondence or 1919 Market Street, I may be reached at the office at (415) 581-0885, extension 205.

Sincerely,

-Edward M. Higginboʻt∕nam

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# **EXHIBIT G**

#### Dana Wallace

392 11th Street, #201, Oakland California 94607

August 13, 2017

Oakland Attorneys Office Attn: Attorney Parker & Associates Oakland, CA 94612

Dear Sirs,

My name is Dana Wallace and I am a resident at the old Hotel Travelers at 392 11th Street in downtown Oakland. I am a proud US Veteran and retiree. I also happen to be a disabled senior citizen on a fixed income. Living in the downtown close to the Veterans offices and all of the city services is vital and very important to me. Which is why I originally moved to Hotel Travelers decades ago.

I want to take a moment to describe my experience (past and present) with the new owners and management of the building: Mr. Haber and the manager Mr. Ross. When their team arrived on site, the building was in a horrible state. Nothing worked, everything was falling apart, it was just an unsafe place all together. I use a walker and I had to take the stairs up most times because the elevator was not safe and rarely working at all. Criminal activity was taking place inside and in front of the building, rats, roaches, bedbugs and filth were everywhere.

These guys arrived and promised a better living situation and within weeks there were already noticeable changes. Criminal activity stopped and security was improved. The team started pest control and elevator repairs. They took time to explain how the process for making the building a nice and safe place to live would go and they began to follow through.

I have been treated with kindness and consideration all through this process. They have taken all of my wishes and needs into consideration. They asked all of us residents how we wanted our lives here to go. Mr. Haber has gone above and beyond my expectations. He has connected us with his manager Mr. Ross who takes care of everything day or night. And not just for me, for the others who need assistance too! Some folks chose to move to

other locations and these guys made everything possible. I myself chose to stay at the Travelers. These guys are building a brand new room for me, and because of my personal needs they are making it an ADA room just for me!

During construction they were kind enough to move me into a really nice downtown hotel where I can stay comfortably while my room is being completed. They are paying the hotel bills and not only that they come to move all of my things so I don't have to lift a finger! They even helped me to repair my car. Drove me to the shop and paid for things too. All I can say is these guys are taking care people. I feel the care and respect that is shown to me. I'm looking forward to moving into a new safe place owned and managed by people who really care!

Sincerely yours,

Dana Wallace

8-13-20)7

# ALAMEDA COUNTY EXHIBIT H

**HEALTH CARE SERVICES** 

AGENCY

REBECCA GEBHART, Acting Director



DEPARTMENT OF ENVIRONMENTAL HEALTH ENVIRONMENTAL PROTECTION 1131 Harbor Bay Parkway, Suite 250 Alameda, CA 94502-6577 (510) 567-6700 FAX (510) 337-9335

Text

ENVIRONMENTAL HEALT TO AND

FEB 04 2016

## VOLUNTARY REMEDIAL ACTION AGREEMENT

This Voluntary Remedial Action Agreemer	nt ("Agreement") is between
Danny Haber	("Responsible Party") and the Alameda County
Department of Environmental Health (ACL	DEH) and is effective on the date signed by the Director of
ACDEH.	

Responsible Party has completed and submitted a request form for ACDEH to provide supervision at the following location (the "Site"):

1919 Market Street	general control of the control of th
Property Address	
Oakland	i etar u
City	

The Parties hereby agree as follows:

- 1. Remedial Action. Responsible Party agrees to:
  - Perform the remedial actions identified in Exhibit 1 and other actions as may be requested by ACDEH during the term of this Agreement.
  - Perform all the work required by this Agreement including modifications or additions requested by ACDEH.
  - c. Timely reporting, investigation, and cleanup of soil and/or groundwater contamination in compliance with appropriate laws, regulations, and policies.
  - d. Conduct all activities in accordance with applicable regulatory requirements and industry practices.
  - e. Conduct remedial actions that may be necessary to protect human health and the environment.
- ACDEH Supervision. ACDEH shall review and provide written comments to Responsible Party regarding the proposed remedial work. Regardless of the level of supervision from ACDEH, the Responsible Party is responsible for all actions related to the site. Responsible Party is also responsible for compliance with any new laws or regulations that may be applicable during the term of this Agreement.
- 3. Documents
  - a. Responsible Party hereby verifies that it has submitted to ACDEH all background information, environmental assessment reports (including Phase I Environmental Assessment Reports), analytical results, and any other information pertinent to the characterization and cleanup of the site ("Documents").

ACDEH CASE ROXXXXXXX

2015-09-28

#### **VOLUNTARY REMEDIAL ACTION AGREEMENT**

#### **EXHIBIT 1**

#### **SCOPE OF WORK**

The scope of work associated with this Voluntary Remedial Action Agreement applies to 1919 Market St in Oakland, CA, APN(s) 5-410-13-1, 5-410-14, and 5-410-25. ACDEH will provide supervision of the proposed residential development at the site with respect to subsurface contamination related to historic uses at the site.

Responsible Party shall complete the following tasks:

- 1. Submittal of Existing Data. Submit to ACDEH all background information, analytical results, environmental assessment reports including Phase I environmental assessment reports, and any other information pertinent to environmental conditions at the site.
- 2. Site Assessment. Conduct site assessment activities to characterize the nature and extent of contamination and to determine whether the site poses a threat to human health or the environment. Documents which may be required as part of this site could potentially include the following:
  - Work Plans
  - Site Assessment Reports
  - Risk Assessment Reports
  - Sensitive Receptor Survey Reports
  - Conceptual Site Models
- Remedial Actions. Documents which may be required as part of the remedial actions could potentially include the following:
  - Interim Remedial Action Work Plans
  - Feasibility Study Reports
  - Corrective Action Plans
  - Remedial Action Reports
  - Site Management Plans
- 4. Additional Actions. Responsible Party understands that as additional information about the waste release, site conditions, and related information becomes available, additional actions will be recommended and/or required. ACDEH will provide the information regarding additional actions through directive letters referencing this Agreement.

#### Memorandum of Understanding

Between

1919 Crew, LLC

and

James Vann, Founding Board Member of Oakland Tenants Union

This Memorandum of Understanding (MOU) sets forth the terms and understanding between 1919 Crew, LLC and James Vann, Founding Board Member Oakland Tenants Union, to partner and develop a strategy to offer previous tenants, eligible to return, live/work units back in the 1919 Market Street redevelopment.

#### Background

1919 Bayside began managing 1919 Market street March 2015. On the first day of management a city inspector toured the building at the request of the plants tenants. Over the next few months we hired an architect and developed two compliance plans to legalize the building without tenants leaving their apartments. Despite 1919 Bayside's best efforts to allow tenants to stay in the building the city ultimately decided to red tag the site following a unit-by-unit inspection by the code compliance and fire department. 1919 Bayside appealed the initial date of red tag and received a continuance until January 31, 2016.

The original goal for the project was to maintain the unique culture at 1919 Market street by legalizing the building through phased construction as shown in our compliance plans. Though legalizing the existing building is no longer a reality due to large amount of construction work needed, our goal still remains the same: to provide premium housing at below market prices.

#### Purpose

This MOU will act to create a partnership between 1919 Crew, LLC and James Vann, Founding Board Member of Oakland Tenants Union, to develop a strategy that meets both parties' goal of offering previous tenants that are eligible to return live/work units in the 1919 Market Street redevelopment.

The above goals will be accomplished by undertaking the following activities:

Preparing strategy for implementation

- Reaching out to previous tenants, eligible for return
- Determining how many units to provide
- Agreeing and setting fair rents for previous tenants returning
- Setting timeline for units availability
- Coordinating with previous tenants to mobilize and return

#### Reporting

1919 Crew, LLC and James Vann, Founding Board member of Oakland Tenants Union, will set periodic check-ins, at an agreed upon interval, to:

- Provide an update on timeline and milestones
- Effectiveness of either partner's ability to adhere to this document

#### **Funding**

This MOU is not a commitment of funds from 1919 Crew, LLC or James Vann, Founding Board member of Oakland Tenants Union.

#### Duration

This MOU is at-will and may be modified by mutual consent of authorized officials from 1919 Crew, LLC and James Vann, Founding Board Member of Oakland Tenants Union. This MOU shall become effective upon signature by the authorized officials from 1919 Crew, LLC and James Vann, Founding Board Member of Oakland Tenants Union, and will remain in effect until modified or terminated by any one of the partners by mutual consent. In the absence of mutual agreement by the authorized officials from 1919 Crew, LLC and James Vann, Founding Board Member of Oakland tenants Union, this MOU shall end upon 10 days of non-agreement, unless such agreement is resolved, documented, and signed by both parties to remain in effect.

#### **Contact Information**

1919 Crew, LLC Danny Haber dannyihaber@gmail.com

James Vann

Oakland Tenants Union, Founding Board Member

jamesevann@aol.com

Danny Haber, 1919 Crew, LLC

La Date:

James Vann, Founding Board Member Oakland Tenants Union

### **EXHIBIT J**

News

# Oakland: Two dead, dozens displaced from apartments in fire

By **DAVID DEBOLT** | ddebolt@bayareanewsgroup.com | PUBLISHED: March 21, 2015 at 12:22 am | UPDATED: August 12, 2016 at 3:43 am

OAKLAND — A hub for anarchists, artists and musicians went up in flames early Saturday in West Oakland, killing two men and damaging businesses, including AK Press, authorities and residents said.

One of the victims was identified by neighbors as artist Daniel "Moe" Thomas, who lived in a unit at the former armory at 669 24th Street. A second man, believed to be 28, was also killed, fire officials said. He was not identified.

Fire crews went to the West Oakland building at about 3 a.m. after a neighbor on the street reported hearing a smoke alarm faintly sounding, Oakland fire Battalion Chief Geoff Hunter said.

Crews searched the building but did not see any evidence of smoke or fire, Hunter said. About 12 minutes later, firefighters saw smoke coming out of one apartment. They knocked down the unit's door, and found a fire raging inside. It quickly spread through the attic shared by multiple buildings, Hunter said.

The three-alarm fire was under control by 4:10 a.m. The two victims were found dead inside.

"We were yelling fire and ringing everyone's doorbell," said 27-year-old Amanda Bailey, who lives across the hall and was there when firefighters tore the door down. "We're in shock still."

Built in the 1930s, the building was a U.S. National Guard armory, and originally was one structure. Now, it is divided into two buildings facing 23rd and 24th streets between Martin Luther King Jr. Boulevard and San Pablo Avenue.

Thomas was an artist who lived on the 24th Street side, where the fire started, in a space with multiple units also home to musicians and an underground music scene.

On the 23rd Street side, is well-known worker-run, anarchist publishing and distribution company AK Press, as well as 1984 Printing, and Omnidawn, a nonprofit publisher of poetry. By 10 a.m. Saturday, volunteers and employees were showing up, grabbing brooms to push water that damaged the publishing businesses. The extent of the water damage was unclear.

Resident Jose Palafox, 41, described the building as a longtime home to freethinkers, writers, musicians and anarchists, holding on to their space in a rapidly gentrifying area of West Oakland.

"Oakland has been changing a lot. I feel like this building is one of the last holdouts. This is a symbol of people who give a s—," he said. "If this building is gone, it's not just the building, it's the ideas of the people who live in the building."

Fire officials did not know the extent of the structural damage to the buildings, but people were coming and going from inside Saturday. It appears the fire was accidental, Hunter said, though it remains under investigation.

About 30 residents were displaced by the blaze and are receiving help from the American Red Cross, which set up an emergency shelter at 3901 Broadway.

David DeBolt covers breaking news. Contact him at 510-208-6453. Follow him at Twitter.com/daviddebolt.



**David DeBolt** David DeBolt is a reporter for the Bay Area News Group who covers Oakland. DeBolt grew up in the Bay Area and has worked for daily newspapers in Palo Alto, Fairfield and Walnut Creek. He joined the organization in 2012.

Follow David DeBolt @daviddebolt

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Dear City Attorney Parker:

My name is Pastor Gregory Payton. I am the Bishop of the Greater St. John Missionary Baptist Church located at 1909 Market Street in Oakland.

I am privileged to have served as the pastor of this Church since 2004, a Church and a neighborhood where I was born and raised. Our Church is next door to 1919 Market Street which is now a housing project being developed by 1919 Crew, LLC. For years, the building was an eyesore as a live work space that had many code violations and numerous problems.

When 1919 Crew took over the building in 2015, it appeared they were trying to correct those problems. In late July, there was a cloud of dust that came from the building for 1 day and did coat some of our Church building. The contractors did come over and clean the dust on the same day. While we were certainly disturbed by this event, since then representatives of 1919 Crew, including Danny Haber, have worked to keep us informed about what is happening with the project. This group is making significant efforts to improve both 1919 Market Street and our neighborhood.

I ask you to work with 1919 crew on getting this project built and completed. I would be happy to talk to you or anyone in your office about what is going on in our neighborhood and next door at 1919 Market Street.

God Bless.

Bishop Gregory B, Payton

**Pastor** 

### **EXHIBIT L**

## Fwd: 1919 Market St Development Support

3 messages

**Danny Haber** <dannyjhaber@gmail.com>
To: Jeremy Harris <jeremy@owow.com>

Wed, May 31, 2017 at 4:12 PM

----- Forwarded message -----

From: Lena Eckhoff <lenafern79@gmail.com>

Date: Wed, May 31, 2017 at 3:12 PM

Subject: 1919 Market St Development Support

To: <dannyjhaber@gmail.com>

To Whom It May Concern:

I, Michael C. Wellington, residing at 1909 Myrtle Street, wish to express my support of the 1919 Market St development moving forward.

I have resided at 1909 Myrtle Street for the last 18 years. I have had to deal with horrific blight due to 1919 Market Street building over the past two decades.

The new management that's planning to build or renew the structure has done a terrific job keeping our neighborhood free from blight, they have removed graffiti, and communicated a presence that wasn't there before. They also have a website that informs all of the residents of upcoming construction/activity.

I understand other community members' concerns for environmental safety, however, I feel confident that all concerns have been adequately and effectively addressed

Please do contact if you have any questions.

Sincerely, Michael C. Wellington

jeremy@owow.com <jeremy@owow.com>

Thu, Jun 1, 2017 at 10:57 AM

To: "lenafern79@gmail.com" <lenafern79@gmail.com>

Cc: Danny Haber <danny@owow.com>

Hi Michael and Lena-

Thank you for taking the time out of your day to write this letter. Every little bit helps, and I am confident that this development will bring great value to the neighborhood and existing community.

Please feel free to reach out with problems and concerns that you see, and I'll definitely respond in the best way I can.

Best,

Jeremy Harris | Project Manager Owow Pier 54 Suite 202 San Francisco, CA 94158 (858) 449-5270