

OAKLAND WAREHOUSE COALITION

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

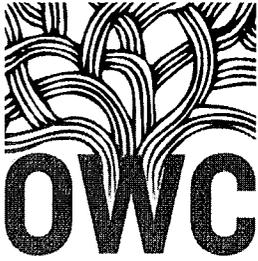
Oakland City Attorney and Alameda County District Attorney staff have been conducting a detailed investigation of Danny Haber's real estate dealings and projects since 2016, but no legal action has yet been taken. Oakland Warehouse Coalition, 1919 Market Neighbors, and current and former tenants of Haber-owned 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 Pagonos 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."

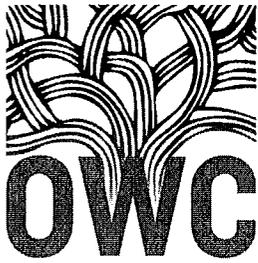
We recommend that the Commission halt the entitlement process entirely, and work to find an appropriate buyer that is both local to District 7 and demonstrates a commitment to make the resultant rental property accessible to local low-income tenants. Please consult District 7 staff for the history of 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 December 21st of 2016 (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 Craigslist.

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.

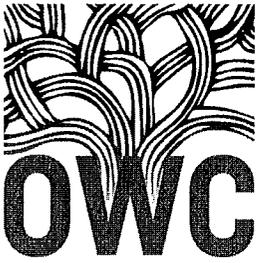
- KPIX video and writeup on [tenant and neighbor experiences at 1919 Market](#)
- Rachel Flynn alerting [Sabrina Landreth](#) of Planning & Building's intent to "evict" the tenants (Pg. 1-2)
- Rich Fielding [asking PG&E to shut off service](#), lying about both building occupancy and communications with 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 23rd](#). 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

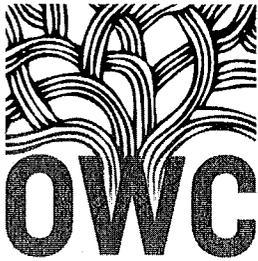
1/8th of the non-conforming live/work property at 669/671 24th Street burned on the night of March 21st, 2015; Fire Prevention Bureau Inspector Maria Sabatini's fire report listed the cause as undetermined, likely involving smoking materials. The cause is presumed to be accidental. There were two fatalities. 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 23rd 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 24th 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 27th 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.

- East Bay Express on the [original landlord/tenant issues](#)
- Mercury News update [after the insurance claim was settled](#)
- 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.

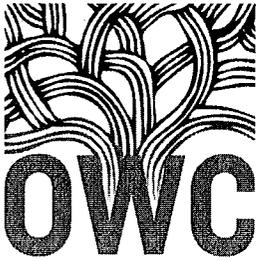
6. 674 23rd STREET, 94612, COUNCIL DISTRICT 3

The 24th Street and 23rd 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. 23rd Street is a much larger building than 24th 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 21st, 2015, the fire leapt from 24th 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-McElhane 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 23rd 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 23rd Street into St. Vincent DePaul, walk left to the major encampment at 23rd & 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 23rd Street LLC
- 671 24th Street LLC