

Mr. John Russo  
City Attorney, City of Oakland  
One Frank Ogawa Plaza, 6<sup>th</sup> Floor  
Oakland, CA 94612  
(Via registered mail)

September 02, 2009

Subject: Notice of Imminent and Substantial Threat to Oakland Residents

Dear Mr. Russo:

As you are the city attorney for Oakland I want to notify you of a situation that presents an extreme and imminent danger to thousands of Oakland residents which has been allowed to worsen considerably, and has been perpetuated, under Oakland's oversight.

SunCal/Lehman LLC made a calculated business decision more than a year ago to abruptly and irresponsibly abandon their 165 acre development at the former Oak Knoll naval hospital site, located in Oakland, which totals 174 acres. They dumped onto their neighbors, whom they courted when it was convenient, a deadly situation which threatens the lives of thousands of Oakland residents as well as hundreds of homes should a fire break out at the site. (I have copied SunCal here, as well as City of Alameda officials and others, in light of the fact that SunCal, after abandoning Oak Knoll, is conducting business as usual in Alameda in an attempt to develop prime property there.)

The site, a portion of which is owned by the city of Oakland, contains nearly 100 blighted structures the majority of which consist of highly flammable wood-framed construction. Prior to obtaining approval for development SunCal was permitted by the city to begin selective demolition, possibly in violation of Oakland's building code if not common sense, resulting in most buildings being left stripped of their doors and windows as well as their fire resistant interior finishes and roof shingles. These structures pose an immediate, extreme and unacceptable risk in that any fire on site will likely develop into a major conflagration similar to what Oakland experienced during the urban firestorm of 1991- the worst urban fire in American history. In that tragedy, as bad as it was, city fire crews at least had the benefit of fire resistant structures and navigable roads.

During a meeting with Oakland city representatives on August 27, attended by myself and representatives from area home-owner associations, the Oakland Fire Department's representative acknowledged that the city's response to a major fire at the site would be limited to merely attempting to establish a perimeter around the property, nearly impossible along its eastern and most dangerous border shared with countless vulnerable homes, and thereby allowing the entire site and its structures, along with all the toxins and debris left strewn about and abandoned by SunCal, to burn unabated. Impassable roads on site, many of which are devoid of road signs, suggest that city fire personnel could not safely enter the site, especially after dark during which time there would be no assistance available from airborne tankers. The resulting firestorm and airborne embers would immediately spread massive fire to surrounding neighborhoods, primarily located above and to the east of the property, where many roads are narrow and winding and homes are occupied by an older population of residents.

As you know, Oakland's blight ordinance provides the city with extremely wide latitude to immediately eliminate this extreme threat to public safety deliberately left behind by SunCal Companies. Why hasn't the city done so? When SunCal and Lehman, flush with cash to the point that they perhaps fraudulently, used \$100 million of Lehman investors' funds to purchase a property appraised at just \$30 million, why didn't the city of Oakland demand posting of a simple completion or performance bond prior to allowing SunCal to engage in selective demolition? This routine step would have ensured that Oakland would not have been left with this enormous hazard. The city's redevelopment agency representatives present at this meeting were sympathetic to our concerns, and seem to be attempting to remedy this matter; however, I urgently request that the following be done using the full force that only your office and the office of the mayor can provide:

1. Make an urgent and immediate request of the bankruptcy trustee overseeing the property to immediately allocate funds to demolish all wood-framed structures on site and eliminate brush and overgrown tree limbs. (This work has to be completed anyway, regardless of who develops the property, and would increase the value of the property should it ultimately be auctioned off as likely will be the case.)
2. If funds are not available, obtain assurances from the bankruptcy trustee that would allow the city to both immediately eliminate this danger and attach a lien to the property to recover city costs. The bankruptcy trustee may not be permitting new liens, common in cases such as this, however an exception can and should be made in this case where the lives of thousands of residents are in imminent and substantial danger. As I am sure you are aware a mechanism exists in this state permitting municipalities to attach a lien to a property owner's county tax bill assuring that Oakland would be repaid, with full interest, penalties and fees. This subsequent to the county tax collector collecting any overdue taxes and prior to any other lien holder- to include any mortgage holders- collecting on any debt. The \$3 million - \$5 million required for this work may not be available in the city's budget however a city of Oakland's caliber could certainly borrow this money almost immediately.
3. That if neither of the remedies as outlined above are acceptable the city obtain permission from the bankruptcy trustee to immediately complete the work, borrowing the money if necessary, and in exchange be immediately deeded an appropriate portion of the property- perhaps 5 -10 acres. This new property- added to the city's existing 5-acre portion of the site- could provide frontage along Sequoyah Road and Mountain Boulevard producing one contiguous, valuable piece of property.

I urge your office to immediately assist city residents in eliminating this extreme threat to life and property. The residents of this area may not be as vocal as residents, or be given the same attention if this condition were to exist, in the north hills, Upper Rockridge or Claremont areas of Oakland but this matter deserves immediate and substantive action. In closing, and as a courtesy to your office as neighbors sincerely do want to work with you to resolve this matter, I was recently contacted, unsolicited, by a Canadian Broadcasting Corporation (CBC) producer. CBC in cooperation with (U.S.) PBS is going to air a one-hour documentary on PBS/Frontline in December. The show, to be broadcast throughout North America, will focus on the fallout from Lehman's collapse and its effect on communities all over the world while focusing on and highlighting, unfortunately, the Oak Knoll property. I would be disappointed if the show cast Oakland in a negative light. The show's producer

wishes to interview me at the site later this month when their crew arrives in the area. I hope I have the opportunity to make clear at that time that, in spite of the gross negligence and irresponsibility exhibited by SunCal, the city of Oakland is solidly on its way to responsibly eliminating dangers at the property to the community's satisfaction.

Sincerely,

Donald J. Mitchell, President  
Sequoyah Hills/Oak Knoll Neighborhood Association  
4415 St. Andrews Rd.  
Oakland, CA 94605  
(510) 568-3085

COPY TO:

City of Oakland

Mr. Larry Reid, District 7, Oakland City Council  
Mr. Ron Dellums, Mayor, City of Oakland  
Ms. Jane Brunner, District 1, Oakland City Council  
Ms. Patricia Kernighan, District 2, Oakland City Council  
Ms. Nancy Nadel, District 3, Oakland City Council  
Ms. Jean Quan, District 4, Oakland City Council  
Mr. Ignacio De La Fuente, District 5, Oakland City Council  
Ms. Desley Brooks, District 6, Oakland City Council  
Ms. Rebecca Kaplan, Councilperson at Large, Oakland City Council

Oak Knoll Coalition

Mr. Jim Blake, Parkridge Estates Homeowner Association  
Mr. Roger Boyer, Hillcrest Estates Improvement Association  
Mr. Robert Clark, Sequoyah Hills Homeowners Association  
Ms. Laura Dunn, Hillcrest Estates Improvement Association  
Ms. Gaile Hofmann, Sequoyah Hills/Oak Knoll Neighborhood Association  
Ms. LeeAnn Smith, Sequoyah Heights Homeowners Association  
Mr. Tony Sweet, Oak Knoll Neighborhood Improvement Association  
Ms. Tamara Thompson, Oak Knoll Neighborhood Association

Oakland, other

Ms. Constance Cobb, Sequoyah Hills/Oak Knoll Neighborhood Association  
Mr. Donald Johnson, Sequoyah Hills/Oak Knoll Neighborhood Association  
Ms. Jeannette Yusko, Sequoyah Hills/Oak Knoll Neighborhood Association  
Mr. Phillip Dow, Oak Knoll Neighborhood Improvement Association

SunCal Companies

Mr. Joe Aguirre, SunCal Media Relations

City of Alameda

Ms. Beverly Johnson, Mayor, City of Alameda  
Mr. Doug deHaan, Vice Mayor, City of Alameda  
Ms. Lena Tam, Councilmember, City of Alameda  
Ms. Marie Gilmore, Councilmember, City of Alameda  
Mr. Frank Matarrese, Councilmember, City of Alameda

Alameda, other

Mr. Richard Bangert  
Ms. Debbie Potter, City of Alameda Base Reuse Manager  
Mr. Doug Siden, City of Alameda Representative to East Bay Regional Park District