



Memorandum

To: CITY COUNCIL

From: Mayor Sam Liccardo

Subject: GOOGLE MOU AND LAND SALE

Date: December 3, 2018

Approved:

12-3-18

RECOMMENDATION

1. Approve the Staff Recommendation, including the Memorandum of Understanding, and Land Sale Agreements.
2. Approve the following memoranda in their entirety:
 - a. November 29, 2018 Memorandum from Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers Davis, and Arenas with the following clarification in italics to 2.B.
Educational opportunity, with an emphasis on (i) college tuition and fee assistance, (ii) middle and high school career pathways from local schools, focusing on San Jose youth from low-income families in high-risk neighborhoods, and (iii) programs for job-shadowing and internships to develop foundational skills to remove barriers to postsecondary education and employment *with the objective of expanding the diversity of the tech workforce.*
 - b. December 3, 2018 Memorandum from Councilmember Peralez, which additionally directs the City Manager to reconvene the Station Area Advisory Group (SAAG) to discuss and provide feedback in a public forum on a final Community Benefits and Development Agreement(s) prior to any Council decision.
3. Approve the following elements from Councilmember Rocha's memo, with modifications shown in *italics*:
 - a. Paragraph 1.B., clarifying that this applies only where Google is the developer:
"The developer, contractors, and subcontractors should pay construction workers a prevailing hourly wage and benefit rate *for office and R & D development.* Further, progressive hiring practices that reflect the values of San Jose, such as "*ban the box,*" and hiring of apprentices from local vulnerable areas, should be advocated.
 - b. Modify Paragraph 1.D. to be consistent with the language of Councilmember Peralez's memorandum.
 - c. Paragraph 3, supplanting "contemplate" with "affirm"
 - d. Paragraph 4 with the following modifications:

“Contribute funding—through a community benefits contribution and/ or a Downtown-wide linkage fee and / or a financing district—which may be combined with other sources to develop and preserve housing in the City to help address rising housing costs and displacement. Housing in the Diridon Station Area should include on-site units affordable to incomes, ranging from extremely low income to “missing middle” households, in combination with market rate homes. Affordable units can be built both integrated into market-rate developments and as stand-alone affordable housing projects.”

- e. Paragraph #5, but supplanting “living wage jobs” with *“jobs that provide wages that enable families to thrive in this high-cost region”* to read as follows:
 - “Promote opportunities for San Jose residents of all skill and educational levels and diverse backgrounds to prepare for and secure *jobs that provide wages that enable families to thrive in this high-cost region*. Provide opportunities for existing and new small, local businesses to benefit from and/or integrate into the new development.”
 - f. Paragraph #6, regarding accounting for SARA funds and documentation in future budget discussions.
4. Approve the following elements of Councilmember Jimenez’s memorandum, with the following changes in *italics*:
- a. Paragraph 1.B., where it is consistent with the 11/29 memorandum from Liccardo, et al. such that the 25% applies to the totality of housing development in the Diridon Station Area, and not to any single project.
 - b. Modify Paragraph 1.C., by supplanting the language with the following:
 - “Proceed with the process for public and Council consideration of the proposed Local Hiring Ordinance, currently scheduled for the 1/28/18 Community and Economic Development Meeting.”*
 - c. Paragraph 1.E., with following modification:
 - “Support and collaborate with Local Schools. Develop partnerships with local schools, such as San Jose State University, that increase access to quality education, enrichment opportunities, internships, and education pathways to careers in STEM fields.”*
 - d. Modify Paragraph 1.F. to be consistent with the language in Councilmember Peralez’s memorandum.
 - e. Paragraph 2, with the following modification to 2.b.:
 - “Review and/or update the April 2018 “Residential Cost of Development Study” to reflect current market conditions, and present updated information to enable Council to assess the feasibility of increased affordable housing inclusionary standards and incentives enabled by the increase in allowable heights and density of future residential and commercial developments downtown if the City increases allowable heights as a result of study of the One Engine Inoperative (OEI) and Downtown Height study.”*
 - f. Modify Paragraph 3 to be consistent with language in Councilmember Peralez’s memorandum.

BACKGROUND

I submit this memorandum in an effort to consolidate the complex and overlapping web of recommendations of the City Council, and to find common ground. I appreciate the thoughtfulness of my Council colleagues to establish parameters for future, more substantive discussion with Google. We will continue to ensure abundant opportunities for input by the public we serve.