



COUNCIL AGENDA: 8/9/22
FILE: 22-1137
ITEM: 8.1

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein

**SUBJECT: COMMUNITY STABILIZATION
AND OPPORTUNITY PATHWAYS
FUND COMMISSION**

DATE: July 25, 2022

Approved

Date

7/29/2022

RECOMMENDATION

Approve an ordinance amending Chapter 2.08 of Title 2 of the San José Municipal Code to:

- Add a new Part 50 establishing the Community Stabilization and Opportunity Pathways Fund Commission; and
- Authorize the Community Stabilization and Opportunity Pathways Fund Commission to establish its own procedural rules and regulations (Section 2.08.080).

OUTCOME

Approval of staff's recommendation would enable the creation of the Community Stabilization and Opportunity Commission (Commission) that will guide the Community Stabilization and Opportunity Pathways Fund – the largest community benefit of the Downtown West project. Adopting the proposed ordinance (Attachment A) will enable the member selection process to occur by the end of the calendar year, keeping the process on track for the next steps.

BACKGROUND

On May 25, 2021, the City Council approved Google's Downtown West Mixed-Use Plan, including a Development Agreement. The Development Agreement outlines how Google will deliver up to \$200 million in Community Benefits (investments that go beyond the City's baseline requirements to address the community's top priorities). The largest community benefit is the contribution of up to \$154.8 million into a new community-driven Community Stabilization and Opportunity Pathways Fund (Fund).

As described in the Downtown West Development Agreement, the purpose of the Fund is to help minimize displacement from rising costs (Community Stabilization) and maximize opportunities for youth and adults to participate in job opportunities – focusing on communities that have historically been affected by structural racism and where the risk of displacement is the highest. Google would contribute \$21.20 per gross square foot of office space to the Fund as office buildings are completed (up to \$154,760,000 if the commercial office capacity of 7.3 million gross square feet is built out). Google has voluntarily agreed to make the first payment to the Fund in advance of this trigger. Specifically, they will make a \$15 million payment to the Fund within 120 days of starting construction on the first Downtown West office building, as described in the February 25, 2022 [Supplemental Memorandum](#) regarding the allocation of community benefit payment from Google.

The governance structure for the Fund features a third-party Fund Manager and a community advisory committee, with City oversight and support. The Fund Manager will coordinate with the Commission to prepare a Strategic Plan to guide the Fund, with updates to the plan every five years. As contributions to the Fund are made, the Fund Manager would administer the grant-making process and recommend qualified grant recipients to the Commission for approval, consistent with the Strategic Plan. As described in the Development Agreement, the thirteen-member Commission will include at least five Lived Experience members representing the perspectives of impacted communities. The other eight members will be direct service providers and other technical experts. The Commission will also have non-voting members, including three City staff, one Google representative, and potentially additional representatives of other funders in the future.

The framework for the Fund and Commission was based on extensive community engagement, including collaboration with local community leaders. For complete details about the framework, please refer to Exhibit H in the [Development Agreement](#) (Attachment B).

As described in the [staff memorandum for the March 1, 2022 City Council meeting](#) (Item 8.1), setting up the Fund and Commission requires several steps before funds can be distributed. The immediate next step is the adoption of an ordinance to establish the Commission in Chapter 2.08 of the San José Municipal Code (subject of this City Council action). The subsequent steps are as follows:

- City undergoes selection process to appoint members
- City onboards Commission members
- City works with Commission to prepare a Request for Proposal and undertake a selection process for a third-party Fund Manager
- City onboards the Fund Manager
- Fund Manager works with the Commission to prepare the initial five-year Strategic Plan, with community engagement
- City Council approves the five-year Strategic Plans and receives annual reports
- Fund Manager works with the Commission to prepare for and administer the grant application/evaluation process

At its March 1, 2022, meeting, the City Council approved the allocation of \$250,000 for staff to establish the Commission. Staff intends to use a portion of these funds to contract with a consultant. The consultant will assist staff with the steps leading up to the onboarding of the Fund Manager – such as assistance with onboarding the Commission, administering the initial meetings of the Commission, and training and team building activities with the Commission. The procurement of the consultant is anticipated to occur later this year.

Staff intends to complete the selection process for Commission members by the end of 2022. Then, the City and Commission will begin working together on the selection of a Fund Manager and the preparation of the first Strategic Plan. This work must occur prior to the administration of grants.

ANALYSIS

The recommended ordinance is included in Attachment A. It includes amendments to Chapter 2.08 of the San José Municipal Code, including the creation of a new part with the following sections:

- Commission established
- Statement of policy
- Membership
- Term
- Appointment process
- Functions, powers, and duties
- Special provisions

Exhibit H in the Downtown West Development Agreement provided most of the information needed for the ordinance. However, the terms of the Commission membership, inclusion of an alternate member, stipends for service, and the member selection process were not included in Exhibit H. Staff solicited input from the community to help inform these details, as described in the Public Outreach section of the memorandum and on the project website (www.diridonsj.org/downtownwestda). Staff's analysis and recommendation related to these items are summarized as follows:

Terms

The staff recommendation on term length for commission members is four years, consistent with nearly all other City boards and commissions. To achieve staggering, the recommendation is for six of the initial members to have two-year terms. The recommendation is to allow the option for reappointment, but for no more than two consecutive terms. The six members with an initial two-year term could serve a second four-year term for a total of six years; they would need to wait at least one full term before re-applying for additional terms beyond that.

Alternate Commission Member

Staff recommends the addition of an Alternate Commission Member who would participate in Commission meetings as a voting member if one of the members is unavailable. The Alternate would be expected to attend all Commission meetings and trainings.

Stipends

Staff recommends that each member who qualifies as representing Lived Experiences (at least five Commission members), receive a \$200 monthly stipend (\$2,400 per year). The stipend would not serve as direct compensation for time spent working on Commission business. Rather, the intention is to reduce financial barriers to participation by broadly supporting personal expenses required to conduct Commission business, such as attending meetings. The alternate member would be eligible for the stipend.

The stipend will be paid regardless of attendance at monthly meetings. Administering monthly stipends is a simpler and less time-consuming process than administering them on a per meeting basis. It also recognizes that the Commission's responsibilities go beyond attending meetings to include other tasks, such as reviewing documents, conducting outreach, and fundraising.

The average monthly time commitment is difficult to predict at this time; however, \$200 per month is based on other lived experience advisory boards and other City commissions with similar responsibilities.¹

The stipends would be paid from the initial \$250,000 and ultimately from the Fund itself, once the first payment comes in. The total cost of stipends would vary depending on the number of Lived Experience members on the Commission. For example, if there were six members that qualify for the stipend, the annual cost would be \$14,400.

During community engagement process on the proposed ordinance, there were questions and concerns raised about how a monthly stipend may impact an individual's eligibility for financial aid (such as housing vouchers). Whether those stipends will affect one's benefits and how it will impact the benefits varies by the type of benefit and an individual's circumstances. If needed, staff could connect the individual with organizations that could help determine the potential impact of stipends. The individual could decide to opt-out of receiving the stipend for any reason.

Selection Process

Consistent with Exhibit H, the City Council is responsible for appointing the members to the Commission. For the specific selection process, staff recommends that the City Manager's Office conduct the application and evaluation process and recommend a slate directly to the City Council for consideration.

¹ Most recently, the City Council approved a \$200 monthly stipend for the new Lived Experience seat on the Housing and Community Development Commission. This amount was based on interviews and research of lived experience advisory boards and other similar bodies.

While not specified in the proposed ordinance, the intent is for City Manager's Office staff to work with the City Clerk's Office, City Attorney's Office, and the Office of Racial Equity on the following process:

- Develop Commission-specific questions using the City's existing application and platform for Boards and Commissions²
- Accept applications for an approximately three-week period
- Conduct broad outreach to spread awareness of the application
- Work with community groups to offer technical assistance to potential applicants (which may include help with filling out paper applications and language access)
- Once the application period is over, review the applications for compliance with the minimum criteria and pass through the qualified applicants to the next round of the process
- Convene a panel of City staff to evaluate the qualified applications and develop a slate of 13 individuals that together meet the requirements and intent of the Commission composition criteria outlined in the proposed ordinance (including initial term length for each member and the person to serve as the Alternate Commission Member)
- Present the recommended slate to City Council for appointment

In advance of the City Council meeting, staff would make the full list of qualified applicants and their applications available to the City Council and the public, as part of the staff report making the recommendation for the slate. City Council would be asked to vote on the entire slate, with the possibility of making changes utilizing the list of qualified applicants. Potential scenarios include:

- City Council approves the full slate as is
- City Council makes a motion(s) to replace one or more of the members with someone else from the list of qualified applicants
- City Council directs staff to revisit the slate and come back with a revised slate at a future meeting, taking into account City Council's feedback

While no other City commissions currently follow this exact, specific process, staff recommendation is based on existing processes (including Council Policy 0-4, Consolidated Policy Governing Boards and Commissions) while reflecting the unique aspects of the Fund framework. Council Policy 0-4 would apply to this Commission, with Section 2.08 of the San José Municipal Code taking precedence in the event of a conflict. If there is an unanticipated vacancy, the process would be similar to the initial and regularly scheduled appointment processes, with the City Manager's Office making the recommendation to City Council from the list of qualified applicants.

² The City's application platform includes allows for translation into a variety of other languages. See the Boards and Commissions page for additional information: <https://www.sanjoseca.gov/your-government/departments/city-clerk/boards-commissions>.

Staff has incorporated feedback from community members. For example, there is significant community interest in making sure the Commission will represent the intended beneficiaries of the Fund and make sound, ethical decisions about the grants. Staff is committed to integrating innovative and equitable practices, while implementing the standard practices intended to promote fairness, transparency, and ethics.

CONCLUSION

Approval of staff's recommendation would enable the creation of a new Community Advisory Commission that will guide the Community Stabilization and Opportunity Pathways Fund – the largest community benefit of the Downtown West project. Adopting the proposed ordinance will enable the member selection process to occur by the end of the calendar year, keeping the process on track for grant distribution.

EVALUATION AND FOLLOW-UP

The City Manager's Office staff will return to the City Council later this year for appointment of the members, following the application and evaluation process outlined in this memorandum. There will be many other checkpoints with the City Council throughout the duration of the Fund and Commission. In accordance with Exhibit H of the Downtown West Development Agreement and the recommended ordinance, the City Council will:

- Select and approve the contract with the Fund Manager
- Provide high-level direction on fundamental policy decisions for the Fund through review and approval of the initial Five-Year Strategic Plan and subsequent updates (as part of City Council meetings)
- Approve the budget appropriation for the Fund, consistent with the Five-Year Strategic Plan
- Receive and review Annual Performance Reports (as part of City Council meetings)
- Initiate financial and performance audits for the Fund
- Address material disputes raised by Fund Manager or Commission and unresolved by City Administration

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 9, 2022, City Council meeting.

The framework for the Fund and Commission outlined in Exhibit H of the Downtown West Development Agreement was based on an extensive community engagement process for the project from 2018-2021. This included engagement with the Station Area Advisory Group and the general public on top community benefit priorities and collaboration with local community leaders on the specifics of the Fund concept. For more information about the 2018-2021 process, please visit: <https://www.diridonsj.org/archive>.

The City held two virtual community meetings to involve the public in drafting the proposed ordinance – focusing on the provisions not included in detail in Exhibit H. At the [community meeting on May 2, 2022](#), staff provided an update on the process and an overview of Exhibit H, followed by discussions to gather feedback and ideas. The second [community meeting on June 27, 2022](#), incorporated feedback from the first meeting. Approximately 15 community members attended the first meeting and approximately 12 attended the second meeting. Both meetings offered Spanish interpretation and translation.

Staff considered the input received during the community meetings in drafting the proposed ordinance and incorporated feedback.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, City Clerk's Office, Office of Racial Equity, and City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

As described in Public Outreach above, the Station Area Advisory Group provided input on the Downtown West Development Agreement. No other commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The recommended stipends paid to the Commission members will be funded through the City-wide Google Community Benefits – Economic Development appropriation in the General Fund.

HONORABLE MAYOR AND CITY COUNCIL

July 25, 2022

Subject: Community Stabilization and Opportunity Pathways Fund Commission

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CEQA

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

/s/

NANCI KLEIN

Director of Economic Development
and Cultural Affairs

For questions, please contact Lori Severino, Assistant to the City Manager, at lori.severino@sanjoseca.gov or (408) 535-3537.

Attachments:

- A. Proposed Ordinance
- B. Exhibit H of the Downtown West Development Agreement

DRAFT

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING
CHAPTER 2.08 OF TITLE 2 OF THE SAN JOSE
MUNICIPAL CODE TO (I) ADD A NEW PART 50
ESTABLISHING THE COMMUNITY STABILIZATION AND
OPPORTUNITY PATHWAYS FUND COMMISSION AND (ii)
AUTHORIZE THE COMMUNITY STABILIZATION AND
OPPORTUNITY PATHWAYS FUND COMMISSION TO
ESTABLISH ITS OWN RULES AND REGULATIONS**

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP17-008 (General Procedure and Policy Making resulting in no changes to the physical environment); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

Section 2.08.080 of Chapter 2.08 of Title 2 of the San José Municipal Code is hereby amended to read as follows:

2.08.080 - Procedural Rules and Regulations.

A. Specific procedural rules and regulations.

1. The following boards and commissions shall each adopt its own procedural rules and regulations for the conduct of its business subject to the approval of the Rules and Open Government Committee:

- a. Board of Administration for the Federated City Employees Retirement System;
- b. Board of Administration for the Police and Fire Department Retirement Plan;
- c. Planning Commission;
- d. Civil Service Commission;
- e. Appeals Hearing Board;
- f. Salary Setting Commission;
- g. Deferred Compensation Advisory Committee;
- h. Airport Commission;
- i. Board of Fair Campaign and Political Practices.
- j. Voluntary Employees Beneficiary Association Advisory Committee;
- k. Community Stabilization and Opportunity Pathways Fund Commission.

Chapter 2.08 of Title 2 of the San José Municipal Code is hereby amended to add a new Part 50 to read as follows:

PART 50

Community Stabilization and Opportunity Pathways Fund Commission

2.08.5000 Commission established.

The Community Stabilization and Opportunity Pathways Fund Commission is hereby established, as originally contemplated in Exhibit H of the Downtown West Development Agreement with Google, LLC (Ordinance No. 30610).

2.08.5010 Statement of policy.

- A. The City of San José ("City") intends to establish a fund to provide financial support to community stabilization (anti-displacement) efforts, and education and employment opportunity pathways within the City (the "Fund"). The Fund will concentrate on communities in San José who have historically been affected by structural racism and where the risk of displacement is the highest.
- B. The purpose of the Fund is to minimize displacement and other potential negative impacts on people and places from rising costs of living ("community stabilization") and to maximize economic opportunities for local youth and adults through training, education, and support ("opportunity pathways"). The Fund shall be used to support grantees and program activities serving low-income people living in underserved San José neighborhoods experiencing or at high risk of displacement such as Greater Downtown, East San José, and other areas identified by a credible, regularly updated source (such as the Urban Displacement Project at U.C. Berkeley). The Fund should focus on advancing racial equity, addressing the root causes of displacement and economic mobility, and resulting in measurable outcomes.
- C. The administration of the Fund shall involve: a third party fund manager who will work under contract with the City ("Fund Manager"), this Community Stabilization and Opportunity Pathways Fund Commission ("Commission"), City Council, and the City Manager (including its designees)ssion, with oversight, accountability, and transparency to the City Council and the public. This model is intended to put decision making into the hands of local residents and leaders. The key steps, which are described in detail in the sections below, include the following:
 - 1. The City Council will appoint members to this Commission. The Commission will begin to meet regularly, with administrative support by the City Manager.

2. The City Manager will oversee the selection process and recommend a Fund Manager to the City Council, in consultation with the Commission.
3. The Fund Manager will coordinate with the Commission to prepare a Five-Year Strategic Plan for the Fund (“Strategic Plan”) and to update the Strategic Plan every five years. The Strategic Plan and Strategic Plan Updates will be presented to the City Council for approval. The Strategic Plan and Strategic Plan Updates will be consistent with Exhibit H of Ordinance No. 30610.
4. The Fund Manager will administer the grant process and make recommendations on grant-making to the Commission, based on consistency with the Strategic Plan.
5. The Commission will consider the Fund Manager’s recommendations and approve the grants consistent with the Strategic Plan.
6. The Fund Manager will prepare Annual Performance Reports, for the Commission’s review and then for the City Council to receive at a public meeting.
7. The Fund Manager shall be responsible for ongoing community engagement and communication, with administrative support by the Commission and City Manager.

2.08.5020 Membership.

- A. The Commission shall be comprised of thirteen (13) voting members and one (1) alternate member.

- B. It is the intent to have a balanced mix of local residents bringing their lived experience perspective to ensure that local needs are understood and met, local community leaders with experience working with target populations to provide specific insights and solutions, and other experts in the program areas to help guide use of the Fund towards meaningful outcomes and systemic change. It is the intent for the Commission to reflect the racial, ethnic, economic, generational and other diversity of the City of San José.
- C. Commission members shall either live in San José, have a meaningful connection to San José, or have a history of working in San José in the relevant subject areas of the Fund, with the possible exception of one (1) academic/research role which may be statewide or national.
- D. Commission members shall have a commitment to furthering the City's goals for anti-displacement, economic mobility, education and workforce development, and racial equity, supporting workers and family-supporting jobs, and uplifting historically disadvantaged groups, including women, people of color, people with disabilities, low-income residents, and the chronically unemployed.
- E. At least five (5) members shall have Local Lived Experience in the core Fund areas. "Local Lived Experience" includes individuals with personal knowledge of the root causes of displacement gained through direct, first-hand involvement.
 - 1. Commission members in this category shall live or operate a small business in a census tract categorized as 'high-risk' or 'undergoing displacement' by a credible, regularly updated source (such as the Urban Displacement Project at U.C. Berkeley), including at least two (2) from East San José (defined as south of Berryessa Rd, north of Capitol Expressway and Aborn Rd., and east of

- Highway 101) and at least one (1) from the Greater Downtown Area that is part of the 'high risk' category in the Berkley or other relevant study.
2. These Commission members should represent a range of experiences the Fund is intended to address, such as housing insecurity, neighborhood instability, homelessness, low-income, unemployment, and barriers to opportunity and economic mobility.
- F. At least eight (8) members of the Commission shall have significant professional experience and subject matter expertise (e.g., through service delivery, policy-making, academic, or institutional capacity), in one or more of the following fields:
1. Affordable housing preservation and/or shared equity and community ownership including finance models.
 2. Tenant advocacy and support.
 3. Homelessness or homeless support services.
 4. STEAM education (early childhood, K-12, post-secondary).
 5. Employment and workforce development, job training, apprenticeship programs, labor.
 6. Minority-owned, disadvantaged, small, or micro business retention and growth.
 7. Neighborhood development, leadership development.
 8. Philanthropy, fundraising, grant-making.

9. Nonprofit management, legal, finance experience.
 10. Academic and/or research expertise in relevant fields such as equity, community development, sociology, demography and/or economic mobility.
- G. Members may qualify as both Local Lived Experience members as described in Section 2.08.5030.E and professional experience and subject matter expertise members as described in Section 2.08.5030.F.
- H. The alternate member shall in serve in place of any absence member on the Commission, and may exercise all the rights, privileges, and powers of the member when serving on the Commission. In the event of removal, resignation, or disqualification of a member, the alternate member is eligible for appointment to fill the vacancy.
- H. In addition to the thirteen (13) voting members and one (1) alternate member, the Commission shall also include four (4) non-voting ex-officio members: three (3) representatives from the City administration and one (1) representative from Google, LLC. The role of the City representatives is to consider and advise on alignment and collaboration with City strategies, goals, and programs.
1. The Commission may add additional ex officio seats for additional major funders or others as deemed helpful by the Commission, subject to City Council approval.
- I. A majority of the total number of seats of thirteen (13), whether filled or vacant, shall be necessary to constitute a quorum for the Commission to take action, although a lesser number may adjourn from time to time.

2.08.5030 Term.

- A. Commission members shall be appointed for staggered terms.
 - 1. The initial term for six (6) members and the alternate member shall be two (2) years.
 - 2. Seven (7) shall be appointed for an initial term of (4) years.
- B. Commission members may be reappointed to serve additional terms, but for no more than two (2) consecutive terms. Initial two-year terms and terms that were terminated early for any reason would be considered a full term for the purpose of this provision.
- C. Section 2.08.150 shall apply to term of the members unless [OBJ*OBJ].

2.08.5040 Appointment process.

- A. Members shall be appointed to the Commission upon the City Manager's recommendation to the City Council and the City Council's approval of such recommendation. This section also applies to any vacancy to the Commission.
- B. The City Clerk and/or City Manager shall implement procedures to ensure that a sufficient number of applicants to fulfill the special eligibility criteria set forth in [Section 2.08.5020](#) C. are recruited for nomination.

2.08.5050 Functions, powers, and duties.

- A. The Commission shall have the following functions, powers, and duties:
 - 1. Participate in the development of the Strategic Plan, Strategic Plan Updates, and any changes thereto.

2. Guide scoping of each round of competitive grant solicitations.
 3. Receive and consider recommendations from the Fund Manager and approve grants consistent with the Strategic Plan.
 4. Provide guidance and support for public outreach and engagement, including awareness of grant opportunities and organizations who might qualify to apply for grants.
 5. Provide feedback on the Annual Performance Report prior to submission to City Council.
 6. Participate in fundraising activities consistent with applicable laws and City requirements.
 7. Escalate to City Manager disputes with Fund Manager.
- B. Decisions and recommendations should in all cases be consistent with the purpose of the Fund and the Strategic Plan, and applicable laws and City requirements.
- C. The powers, functions, and duties of the City Manager, City Council, and Fund Manager shall refer to Exhibit H of the Downtown West Development Agreement with Google, LLC (Ordinance No. 30610), unless otherwise stated herein and as amended in the future.

2.08.5060 Special provisions.

- A. Each member that qualifies as having Local Lived Experience (including voting members and the alternate) shall be paid the sum of two hundred dollars per month. This compensation shall be in addition to any reimbursement for expenses

incurred in the performance of the Commissioner's duties and functions, as described in Section 2.08.120.

PASSED FOR PUBLICATION of title this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

Exhibit H
Community Stabilization and Opportunity Pathways Fund

1. Establishment of Fund. The City intends to establish a fund to provide financial support to community stabilization (anti-displacement) efforts, and education and employment opportunity pathways within the City (the "Fund"). The Fund will concentrate on communities in San José who have historically been affected by structural racism and where the risk of displacement is the highest.
2. Purpose of the Fund. The purpose of the Fund is to minimize displacement and other potential negative impacts on people and place, including from rising costs of living ("community stabilization") and to maximize opportunities for local youth and adults to participate and benefit from job opportunities through training, education, and support ("opportunity pathways"). The Fund shall be used to support grantees and program activities serving low-income people living in neighborhoods experiencing or at high risk of displacement and underserved neighborhoods in Greater Downtown, East San José, and other areas identified by a credible, regularly updated source (such as the Urban Displacement Project at U.C. Berkeley). The Fund should focus on advancing racial equity, addressing the root causes of displacement and economic mobility, and resulting in measurable outcomes.
3. Fund Administration Overview. The administration of the Fund shall involve: a third party ("Fund Manager"), a Community Advisory Committee ("Committee"), City Council, and the City Administration. The model features delegation of grant administration to the Fund Manager and grant approval to the Committee, with oversight, accountability, and transparency to the City Council and public. This model is intended to put decision making into the hands of local residents and leaders. As described in detail in the following sections, the key steps include the following:
 - a. The City Council will appoint a Community Advisory Committee.
 - b. The City Administration will oversee the selection process and recommend a Fund Manager to the City Council, in consultation with the Committee.
 - c. The Fund Manager will work with the Committee to prepare a Five Year Strategic Plan for the Fund, and Strategic Plan Updates every 5 years. The Five Year Strategic Plan and Strategic Plan Updates will be presented to the City Council for approval.
 - d. The Fund Manager will administer the grant process and make recommendations on grant-making, based on consistency with the Five Year Strategic Plan.
 - e. The Committee will consider the Fund Manager's recommendations and approve the grants consistent with the Five Year Strategic Plan.
 - f. The Fund Manager will work with the Committee to prepare Annual Performance Reports, for the City Council to receive at a public meeting.
 - g. The Fund Manager shall be responsible for ongoing community engagement and communication.

4. Contributions by Google LLC. Google shall make payments to a restricted Fund in the amount of \$21.20 per gross square foot of office development, excluding any related or similar prepayment amounts identified in Exhibit C1 (subject to Consumer Price Index escalation not to exceed three percent (3%) per year), with payment to be made upon issuance of the Temporary Certificate of Occupancy for each commercial office Building. The amount of the payment shall be established at the time the building permit for construction of the office Building is issued.
5. Appropriation Process. Payments made by Google will be deposited into a City-restricted fund for the purpose set forth in this Exhibit H and transferred to the Fund Manager for Fund grant-making and functions supporting grant-making. The transfer of monies from the restricted fund to the Fund Manager will occur promptly after payments are received as part of the City's budget appropriation process and in accordance with the Council-approved Five Year Strategic Plan. Subject to appropriation, the City Council shall allocate monies for three functional categories: 1) contracted services of the Fund Manager for Fund administration; 2) City Administration and City Attorney costs to support the Fund; and 3) grant making and other grant-related activities of the Fund Manager and Committee aligned with the Council-approved Five Year Strategic Plan.
6. Funding Priorities and Allocations.
 - a. The City Council intends that the Fund shall be dedicated to the following two major program categories ("Program Areas"), with a focus on benefiting communities that have been historically underserved or marginalized:
 - i. Community Stabilization: Community Stabilization includes prevention of displacement and homelessness, preservation of affordable housing, homeless services, housing innovation research, tenant and landlord education, community land trusts, and stabilization of small local businesses.
 - ii. Opportunity Pathways: Opportunity Pathways includes adult and youth occupational skills training, college/post-secondary scholarships, career exploration for middle and high school youth, early childhood education, and small business and entrepreneurship programming.
 - b. Fund Allocations.
 - i. The maximum percentage of Fund allocation for City and Fund Manager administrative costs shall be outlined in each Council-approved Five Year Strategic Plan.
 - ii. Excluding payments for Fund administrative costs, the initial allocation of Fund monies in the initial Five Year Strategic Plan, shall be distributed to the Program Areas in the following percentages: no less than 50% to Community Stabilization and no less than 30% to Opportunity Pathways.
 - iii. The City intends for periodic review and adjustment of the percentage allocations between the two Program Areas; however, the Fund shall not

be directed to programs outside the Program Areas or for other uses, and administrative costs shall not exceed amounts outlined in the Council-approved Five Year Strategic Plan. The review and adjustment of percentage allocations may occur through the approval of each Five Year Strategic Plan Update by the City Council, as recommended by the Fund Manager and Committee.

- iv. The Fund Manager and Committee shall administer grants consistent with the Five Year Strategic Plan and the funding percentages set forth therein.
7. Grant Recipient Criteria. Grantees shall provide direct services, programs, and projects for the benefit of impacted communities in San José in the two Program Categories, consistent with the intent of the Fund as established in this Development Agreement and with the Five Year Strategic Plan. The City intends that grantees be limited to nonprofit 501(c)(3) organizations, public education institutions, and City of San José programs, with grants focused on direct on-the-ground services, and that grants shall not be used for lobbying or political organizing. For the purpose of clarification, tenant education or protection shall not be considered to be political organizing.
8. Roles and Responsibilities.
- a. Third Party Fund Manager. The primary roles of the Fund Manager will be to: ensure strategic impact over time; facilitate community involvement in the grant-making and planning processes; ensure compliance with City Council approved Five Year Strategic Plan; and leverage opportunities for additional monies from external parties. The Fund Manager will adhere to best practices for accounting and financial responsibility. Roles will include:
 - i. Administer the Fund under a contract with City.
 - ii. Support the Committee and any subcommittees, including by providing or facilitating training and capacity building.
 - iii. Manage the solicitation, evaluation, and award recommendations of each round of competitive grants.
 - iv. Qualify and certify alignment of grant awards with the approved Five Year Strategic Plan and grantee capacity to perform.
 - v. Manage development of the Five Year Strategic Plan to guide activities of the Fund.
 - vi. Recommend metrics to the City and Committee to evaluate the Fund's effectiveness as part of each Five Year Strategic Plan.
 - vii. Conduct public engagement to inform the Five Year Strategic Plan and grant-making processes.
 - viii. Develop Annual Performance Report for City Council and the public.
 - ix. Provide technical assistance to grantees and potential grantees.
 - x. Evaluate grantee qualification and performance.
 - xi. Solicit and manage grant programs supported by contributions from other companies and philanthropic organizations.

- xii. Escalate to City Administration material disputes with Committee or grantees.
- b. Community Advisory Committee. The City intends that the Fund's charter will include the establishment of a Community Advisory Committee to execute key functions of the Fund. Roles of the Committee would include:
 - i. Participate in the development of each Five Year Strategic Plan.
 - ii. Guide scoping of each round of competitive grant solicitations.
 - iii. Receive and consider recommendations from the Fund Manager and approve grants consistent with the Five Year Strategic Plan.
 - iv. Provide guidance and support for public outreach and engagement, including awareness of grant opportunities and organizations who might qualify to apply for grants.
 - v. Provide feedback on the Annual Performance Report prior to submission to City Council.
 - vi. Participate in fundraising activities.
 - vii. Hold regular public meetings. All meetings of the Committee shall be subject to and conducted in accordance with the open meeting requirements of the Brown Act and applicable City requirements.
 - viii. The Committee should have the authority to set its own chair and vice-chair, and form subcommittees. Decisions and recommendations should in all cases be consistent with the purpose of the Fund, funding priorities as defined in this Agreement, the Five Year Strategic Plan, and applicable laws.
 - ix. Escalate to City Administration material disputes with Fund Manager.
- c. City Council Role. City Council will retain its legislative authority, including to approve the fundamental policy goals and funding priorities for the Fund, adopt the Five Year Strategic Plan that will guide the budget appropriation, and conduct oversight and audits as necessary. Roles would include:
 - i. Provide high-level direction on fundamental policy decisions for the Fund through approval of this Agreement, the initial Five Year Strategic Plan, and subsequent Five Year Strategic Plan Updates.
 - ii. Select and approve the contract with the Fund Manager.
 - iii. Appoint Community Advisory Committee members.
 - iv. Approve the budget appropriation for the Fund, consistent with the Five Year Strategic Plan.
 - v. Conduct a public review of and approve the Five Year Strategic Plan, as well as subsequent Five Year Strategic Plan Updates, as part of a City Council meeting.
 - vi. Receive and review Annual Performance Reports as part of a City Council meeting.
 - vii. Initiate financial and performance audits for the Fund.
 - viii. Address material disputes raised by Fund Manager or Committee and unresolved by City Administration.

- d. City Administration Role. The City Administration will primarily serve as support for the other parties. Roles would include:
 - i. Support the City Council in establishing and maintaining the Committee membership.
 - ii. Ensure public meetings of the Committee are administered in accordance with local and state law.
 - iii. Administer the selection process for the Fund Manager, negotiate the contract with the Fund Manager, oversee contract compliance, and manage the fiduciary relationship with the Fund Manager.
 - iv. Provide general oversight and serve as a Fund liaison between the various parties involved in the Fund administration.
 - v. Bring forth the budget appropriation to City Council.
 - vi. Bring forth the Annual Performance Report to City Council.
 - vii. Manage any independent financial audits or program evaluations of the Fund.
 - viii. Support the public engagement process led by the Fund Manager.
 - ix. Escalate to City Council unresolved material disputes raised by Fund Manager or Committee.
 - e. Google Role. In addition to making monetary contributions to the Fund, the Google Community Liaison Manager identified in Exhibit G will explore with the City opportunities to work together in ways that are aligned with the Fund's objectives and Google's corporate social responsibility objectives. Google will engage with the Committee to the extent approved by City Council, as an ex officio member.
9. Selection and Compensation of Fund Manager. The City intends to use a solicitation process to select a qualified Fund Manager with experience managing grant programs that are similar in size and purpose as the Fund, and with experience evaluating program and grantee effectiveness. City Council shall appoint a Community Advisory Committee in advance of the Fund Manager solicitation. The City Administration shall work with the Community Advisory Committee to develop the solicitation and recommend a Fund Manager to City Council. The City intends that the Fund Manager will receive compensation for its management duties from the Fund, which shall be outlined in each Five Year Strategic Plan. Detailed qualifications of the experienced Fund Manager will be outlined in the solicitation process and approved by City Council.
 10. Committee Composition. The Committee shall be comprised of thirteen (13) voting members. These members shall either live in San José, have a meaningful connection to San José, or have a history of working in San José in the relevant subject areas of the Fund, with the possible exception of one (1) academic/research role which may be statewide or national.
 - a. It is the intent to have a balanced mix of local residents bringing their lived experience perspective to ensure that local needs are understood and met, local

community leaders with experience working with target populations to provide specific insights and solutions, and other experts in the program areas to help guide use of the Fund towards meaningful outcomes and systemic change.

- b. The Committee shall reflect the racial, ethnic, economic, generational and other diversity of the City of San José.
- c. Committee members shall have a commitment to furthering the City's goals for anti-displacement, economic mobility, education & workforce development, and racial equity, supporting workers and family-supporting jobs, and uplifting historically disadvantaged groups, including women, people of color, people with disabilities, low-income residents, and the chronically unemployed.
- d. At least five (5) members shall have Local Lived Experience in the core Fund areas. "Local Lived Experience" includes individuals with personal knowledge of the root causes of displacement gained through direct, first-hand involvement.
 - i. Committee members nominated in this category shall live or operate a small business in a census tract categorized as 'high-risk' or 'undergoing displacement' by a credible, regularly updated source (such as the Urban Displacement Project at U.C. Berkeley), including at least two (2) from East San José (defined as south of Berryessa Rd, north of Capitol Expressway and Aborn Rd., and east of Highway 101) and at least one (1) from the Greater Downtown Area that is part of the 'high risk' category in the Berkley or other relevant study.
 - ii. These Committee members should represent a range of experiences the Fund is intended to address, such as housing insecurity, neighborhood instability, homelessness, low-income, unemployment, and barriers to opportunity and economic mobility.
- e. The other eight (8) members of the Committee shall have significant professional experience and subject matter expertise (e.g., through service delivery, policy-making, academic, or institutional capacity), in one or more of the following fields:
 - i. Affordable housing preservation and/or shared equity and community ownership including finance models.
 - ii. Tenant advocacy and support.
 - iii. Homelessness or homeless support services.
 - iv. STEAM education (early childhood, K-12, post-secondary).
 - v. Employment and workforce development, job training, apprenticeship programs, labor.
 - vi. Minority-owned, disadvantaged, small, or micro business retention and growth.
 - vii. Neighborhood development, leadership development.
 - viii. Philanthropy, fundraising, grant-making.
 - ix. Nonprofit management, legal, finance experience.
 - x. Academic and/or research expertise in relevant fields such as equity, community development, sociology, demography and/or economic

mobility.

- f. While Committee members may have experience in multiple fields, members with deep expertise in a single field will be encouraged in order to create a balanced Committee in which no one area of expertise dominates. In making appointments, the City Council will strive to create a Committee with members that collectively possess expertise and local lived experience across all topic areas listed in this Section.
- g. Ex officio (non-voting) members shall include three (3) representatives of the City Administration and one (1) representative from Google for the duration of development implementation. The role of the City representatives is to consider alignment and collaboration with City strategies, goals, and programs. The Committee may add additional ex officio seats for additional major funders or others as deemed helpful by the Committee, and subject to approval by City Council.
- h. Committee members will be subject to applicable state and local disclosure and conflict of interest laws.

11. Committee Selection Process.

- a. It is the intent that within six (6) months of Final Approval of the Development Agreement the City Administration will bring forth an ordinance to the City Council to codify the creation of the Committee within Chapter 2.08 ("Boards, Bureaus, and Commissions") of the City's Municipal Code.
- b. The City shall conduct an open, transparent process for appointing the Committee members, initially and as terms expire. The process is envisioned to include the following steps, in consultation with the City Clerk and the City Administration's Office of Racial Equity (ORE):
 - i. Soliciting applications/nominations using a standard form.
 - ii. Screening the nominations for eligibility.
 - iii. Recommending a slate of Committee members to City Council for review and approval at a public meeting.
- c. As part of the appointment process, the City Attorney's Office will perform a conflict analysis for each candidate, consistent with City practice for appointments to City boards and commissions.
- d. Immigration status shall not be a factor in the Committee member selection process.
- e. Each Committee member shall file a Form 700 Statement of Economic Interests upon appointment and as required under the Political Reform Act and Fair Political Practices Commission ("FPPC") regulations.
- f. Committee members shall be appointed by the City Council for staggered terms.
- g. It is the intent to complete the appointment process within six (6) months of approval of the first Conformance Review application.
- h. The City intends to solicit an advisor to support the Committee selection and Fund Manager solicitation processes.

12. Strategic Plan. As a first order of business, the Fund Manager shall develop a Five Year Strategic Plan in consultation with the Committee.
- a. The purpose of the Five Year Strategic Plan is to set the direction for the grant programs and funding allocation, including: the Fund's strategic vision, objectives, and funding priorities over the next five years, and the metrics to measure progress or success on its objectives and funding priorities. Once complete, the Five Year Strategic Plan shall be submitted to the City Council for review and approval.
 - b. The Five Year Strategic Plan shall include, but is not limited to:
 - i. Community needs assessment: such as community context, priority needs, analysis of gaps in system effectiveness.
 - ii. Desired outcomes, funding objectives, and performance metrics to evaluate Fund effectiveness.
 - iii. Recommended allocation of funding between Community Stabilization and Opportunity Pathways program areas.
 - iv. Categories of competitive grant programs.
 - v. Expectations for community engagement.
 - vi. Anticipated administrative costs by the City and payments to the Fund Manager for all contracted services; budget caps on these expenses.
 - c. Once approved by the City Council, the Fund Manager is tasked with implementing the Five Year Strategic Plan.
 - d. The Five Year Strategic Plan must be updated every five years, but may be updated more frequently based on changing conditions.
 - e. Between these updates, the City Council may propose and adopt changes to the then-applicable Five Year Strategic Plan; provided, however, that any changes must be approved by two-thirds vote of the City Council.
13. Annual Performance Report. Every year, the Fund Manager will generate an Annual Report describing the Fund's accomplishments and progress on performance metrics. The purpose of the Annual Performance Report shall be to analyze and report out on the effectiveness of the Fund's grant making activities, including achievement of outcomes, objectives, and metrics identified in each Five Year Strategic Plan.
- a. The Report will be developed in consultation with the Committee, who may review the Report and provide feedback to the Fund Manager.
 - b. The Annual Report will then be transmitted to the City Administration, who will bring it to Council for review and acceptance.
14. Public Engagement. The Fund Manager, with the support of the City Administration and Committee, will be expected to conduct public outreach and community engagement to inform each Five Year Strategic Plan and the grant making process.
- a. Specific steps that may involve public engagement include: preparing the needs assessments for the Strategic Plan; reaching out to potential grant applicants; and preparing the Annual Performance Report.

- b. The Fund Manager should develop and implement the community engagement strategy and methods to be used in collaboration with the Committee. The expectation is to use best practices for inclusive engagement, considering factors such as language and accessibility.
15. Audit Rights by the City Council. The City may complete an independent financial and performance audit of the Fund on a biannual basis to ensure conformance with this Agreement, the Five Year Strategic Plan, the contract with the Fund Manager, and applicable laws. Further, the City may take any and all necessary steps and actions to address any issues raised in annual reports, audits, allegations of misuse of funds, or violation of application policies, rules or laws.