

Ordinance to Establish the Community Stabilization and Opportunity Pathways Fund Commission

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| Background

- May 2021: City Council approved Google's Downtown West development project
- Development Agreement outlines up to \$200 million in Community Benefits
- Equity focused, based on extensive outreach process from 2018-21



| Community Stabilization and Opportunity Pathways Fund

Exhibit H of the Development Agreement established the framework for the Fund:

- Up to \$154.8 million to the new Fund, with contributions made as office is built out (\$21.20 per gross square foot)
- Grants to programs serving disadvantaged communities in San José
- Guided by a third-party Fund Manager and 13-member community advisory committee (“Commission”)



| Fund Program Areas



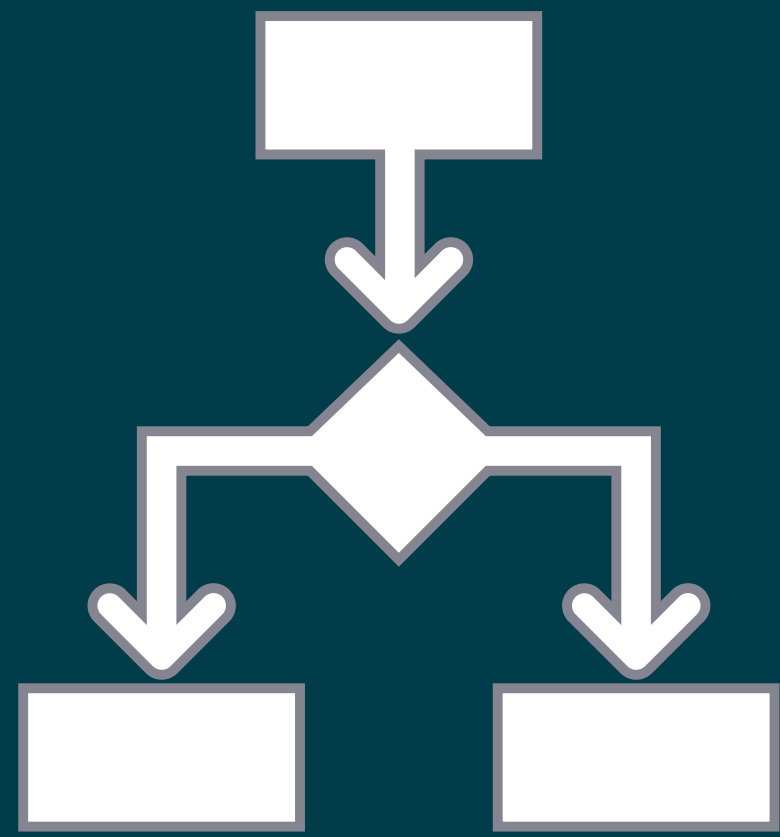
Community Stabilization: displacement/homelessness prevention, affordable housing preservation, homeless services, housing innovation research, and stabilization of small local businesses



Opportunity Pathways: 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 support



| Governance Objectives



- New model for decision-making
- Empower residents of impacted communities
- Bridge lived experience perspectives with those of local leaders, direct service providers, and technical experts
- Data-driven framework for establishing and evaluating outcomes
- Appropriate “checks and balances” and transparency
- Flexibility

| Commission Composition/Requirements - Exhibit H

- 13 voting members
 - At least 5 with lived experience and 8 with technical expertise
- Non-voting members: 3 City representatives, 1 Google, and potentially representatives from other major funders
- San José resident or worker
- Collectively reflect the City's diversity

| Staff Recommendation (items not included in Exhibit H)

- Four-year terms
- Option for reappointment, but for no more than 2 consecutive terms
- To achieve staggering, 6 of the initial 13 members will serve 2-year terms and 7 will serve 4-year terms
- One alternate member that can serve in place of a voting member in the event of an absence

| Staff Recommendation, cont.

Stipends:

- Each of the voting members (including the alternate) that meet the Lived Experience criteria will receive a \$200 stipend if they attend a monthly Commission meeting
- Option to opt out

| Staff Recommendation, cont.

Appointment of Members:

- Voting members and the alternate member 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.
- The City Manager will appoint non-voting ex-officio members.

| Staff Recommendation, cont.

Selection Process:

- City Manager's Office (CMO) will conduct the application and evaluation process.
- CMO will recommend a slate of 13 members (including the alternate) and present it to City Council for appointment.

| Community Engagement

In developing the proposed ordinance:

- Two virtual community meetings
 - May 2 and June 27, 2022
- Gathered input on term staggering, stipends, and the member selection process

| Next Steps

Fall 2022

- Conduct application and evaluation process
- Recommend slate for Council appointment
- Procure a consultant to assist with facilitation of the Commission

2023

- Onboard commissioners; capacity building
- Work with Commission to conduct RFP process for the Fund Manager
- Begin the first 5-year Strategic Plan, with community engagement

2024

- Present the Strategic Plan to Council for approval
- Receive first \$15 million contribution from Google, begin grant making

Back-up slides

| Grant Making Process and Basic Roles

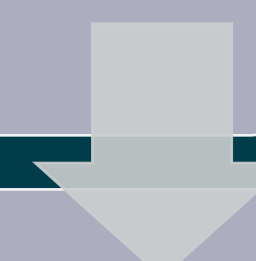
City adopts ordinance creating the Commission, appoints members based on criteria outlined in Development Agreement



With the Commission, City selects a Third-Party Fund Manager



Fund Manager prepares initial 5-year Strategic Plan with Committee for Council approval



Fund Manager works with the Committee to prepare RFPs for grants, administers grant application/evaluation process



Fund Manager recommends qualified grant recipients to the Committee, consistent with the Strategic Plan

| Commission Composition/Requirements - Exhibit H

“Local Lived Experience” includes individuals with personal knowledge of the root causes of displacement gained through direct, first-hand involvement.

- Shall live or operate a small business in a census tract categorized as ‘high-risk’ or ‘undergoing displacement’ by a credible, regularly updated source, including at least 2 from East San José and at least 1 from the Greater Downtown Area
- Should represent a range of experiences the Fund is intended to address (e.g., housing insecurity, neighborhood instability, homelessness, low-income, unemployment, and barriers to opportunity and economic mobility)

| Commission Composition/Requirements - Exhibit H

The other eight (8) members of the Commission shall have significant **professional experience and subject matter expertise** (e.g., through service delivery, policymaking, academic, or institutional capacity), in one or more of the following fields:

- Affordable housing
- Tenant advocacy and support
- Homeless support services.
- STEAM education
- Workforce development
- Community development, neighborhood leadership
- Minority-owned, disadvantaged, small, or micro business retention and growth
- Philanthropy, fundraising, grant-making
- Nonprofit management
- Academic and/or research expertise in relevant fields

| Provisions already in Exhibit H

- 1) Fund purpose, program areas, and initial allocations
- 2) Grant Making Process (5-year Strategic Plan)
- 3) Administrative structure and basic roles
- 4) Committee Composition
- 5) Committee Selection Process
- 6) Public engagement
- 7) Checks and balances

| DTW Community Benefits Summary

30 Additional Moderate-Income Units integrated with market-rate housing	\$7.0M
Land Transfer to the City for development of affordable housing (subject to subsequent approvals)	\$8.4M
Community Stabilization and Opportunity Fund (community advisory committee)	up to \$154.8M as office is built
Payments to the City overtime for Economic Opportunity, Community Stabilization, Neighborhood Programs, and Early childhood education/ childcare	up to \$22.3M as office is built
Early Payment for Community Stabilization, Job Readiness, Neighborhood Programs, and Fund set-up	\$7.5M
Total	\$200.0M