

From: [Jessica Graham](#)
To: [Klein, Nanci](#)
Cc: [Walesh, Kim](#); [Hughey, Rosalynn](#); [Ekern, Bill](#); [Manford, Robert](#); [Severino, Lori](#); [Rood, Timothy](#); [benavidez@google.com](#); [Ortbal, Jim](#); [VanderVeen, Rachel](#); [Morales-Ferrand, Jacky](#); [Zenk, Jessica](#); [arena@google.com](#); [javiergonzalez@google.com](#); [fredricklee@google.com](#); [sheelajivan@google.com](#); [faithk@google.com](#); [Amitabh Barthakur](#); [Thomas Jansen](#); [Phan, Johnny](#); [abromberg@google.com](#); [Joe Van Bellegem](#); [wangan@google.com](#); [Rob Deck](#); [A-P Hurd](#)
Subject: Re: DSA Director's Meeting/DA Meeting
Date: Wednesday, December 9, 2020 11:04:52 AM
Attachments: [Downtown West FAQs - 12.20.docx](#)

[External Email]

Good Morning Nanci, Hello All,

Attached and as discussed, please find a draft version of the Google/City Coordinated FAQs for reference.

Thank you, Jessica

Jessica Graham | Google | Community Development Manager
| jessgraham@google.com

On Tue, Dec 8, 2020 at 5:35 PM Klein, Nanci <Nanci.Klein@sanjoseca.gov> wrote:

Hi! Hope you all are doing great.

For tomorrow - we will have a smaller group of people.

Topics

Affordable Housing - **City** - Jacky, Rachel, Nanci, Kim, Thomas, AP, Johnny **Google** - Alexa, Rob, Tiffany, Faith, Sheela and Rohit

Business Terms - **City** - Johnny, Nanci, Kim, Tomas and AP **Google** Alexa, Rob, Tiffany, and Sheela

Community Benefits - **City** - Nanci, Kim, Thomas **Google** - Alexa and Sheela

Thank you for supporting the smaller group discussion approach.

(Glad you get part of your day back!)

Nanci

Nanci Klein

Director of Economic Development| Director of Real Estate
City of San Jose
[\(408\) 507-0430](tel:4085070430) - cell

From: Klein, Nanci

Sent: Tuesday, September 1, 2020 1:07 PM

To: Walesh, Kim <Kim.Walesh@sanjoseca.gov>; Hughey, Rosalynn <Rosalynn.Hughey@sanjoseca.gov>; Ekern, Bill <Bill.Ekern@sanjoseca.gov>; Manford, Robert <Robert.Manford@sanjoseca.gov>; Severino, Lori <Lori.Severino@sanjoseca.gov>; Rood, Timothy <timothy.rood@sanjoseca.gov>; benavidez@google.com <benavidez@google.com>; Ortbal, Jim <Jim.Ortbal@sanjoseca.gov>; VanderVeen, Rachel <Rachel.VanderVeen@sanjoseca.gov>; Morales-Ferrand, Jacky <Jacky.Morales-Ferrand@sanjoseca.gov>; Zenk, Jessica <Jessica.Zenk@sanjoseca.gov>; arena@google.com <arena@google.com>; javiergonzalez@google.com <javiergonzalez@google.com>; fredricklee@google.com <fredricklee@google.com>; sheelajivan@google.com <sheelajivan@google.com>; faithk@google.com <faithk@google.com>; Amitabh Barthakur <ABarthakur@hraadvisors.com>; Thomas Jansen <tjansen@hraadvisors.com>; Phan, Johnny <Johnny.Phan@sanjoseca.gov>; abromberg@google.com <abromberg@google.com>; Joe Van Belleghem <joevanb@google.com>; wangan@google.com <wangan@google.com>; Rob Deck <rdeck@google.com>; jessgraham@google.com <jessgraham@google.com>

Cc: A-P Hurd <aphurd@skipstonesea.com>

Subject: DSA Director's Meeting/DA Meeting

When: Wednesday, December 9, 2020 1:30 PM-3:30 PM.

Where: meet.google.com/hzo-khcr-dtf

All,

I am re-sending this meeting request, as some are having issues accessing this meeting request. Thanks for your understanding!

Join with Google Meetmeet.google.com/hzo-khcr-dtf Join by phone(US) [+1 470-705-4565](tel:+14707054565)
(PIN: 238811933)

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Downtown West FAQs

December 2020

HOUSING + AFFORDABLE HOUSING

1. (C/G) How many housing units will the project include?

Google is targeting 4,000 units in Downtown West, which is 6.5 times what's currently allowed in the project area. The project studies a maximum of up to 5,900 units. The final unit count will reflect a range of unit types and sizes, as well as potential land and yield loss due to pending decisions related to Diridon Integrated Station Concept (DISC).

2. (C/G) What is Google's commitment to affordable housing?

Google is committed to supporting the City's goal of 25% affordable homes in the Diridon Station Area Plan (DSAP).

3. (C/G) What are the levels of affordability for Google?

The DSAP, including the Downtown West project, will include housing at a range of affordability levels for people who are extremely low-income up to those at moderate-income.

4. (G) How is Google responding to the issue of homelessness?

Google is dedicated to this issue at a corporate level including a \$1B commitment to spur housing and address homelessness throughout the Bay Area. Notable local investments and grants include:

- \$5.3M investment to the 115-unit Kelsey Ayer Station affordable housing project
- \$14.5M investment to the 365-unit McEvoy Apartments affordable housing project
- \$2.7M investment to the 65-unit Charities Housing at Alum Rock affordable housing project
- \$1M grant to LifeMoves to help add 19 new beds in San José for homeless women and families which could serve a combined average of 60 to 90 people per year

You can learn more about Google's initiatives at www.google.org.

As far as the Downtown West project, we're working with Google to achieve 25% affordable housing in the overall DSAP, and hope to have more specific details on that early next year.

5. (C) Why can't the DSAP achieve more than 25% affordable housing?

By and large, area plans tend to reach, at the high end, around 25% affordable housing or a little more, only in extremely high -rent markets like San Francisco or New York City, and generally with special instruments like tax increment or infrastructure financing districts. Often, those area plans also benefit from free land and public subsidy. 25% is consistent with the highest level of affordability achieved in area plans without participation or subsidy by a public agency and is significantly higher than 15% under the Inclusionary Housing Ordinance.

In addition, given this area plan will rely on private development for implementation, the economics of the market have significant influence on the feasibility of doing a high percentage of affordable housing. The rents in San José are not as high as cities like San Francisco or New York, and the City's economic consultant has confirmed that even market rate housing (especially high rise) downtown isn't financially feasible and can't support high affordable inclusionary commitments. We have to pay attention to feasibility because we don't want to set the affordable housing requirement so high such that no housing gets built.

6. (C) Don't some large projects achieve even higher, say 30 -40% affordable housing?

Large projects that are public-private partnerships can achieve higher levels of affordability, and they rely on public subsidies such as free land and/or direct public subsidy to build affordable housing, and other subsidies like tax increment bond financing. The Downtown West plan is not a public-private partnership. It's a private development -- Google has purchased or optioned land from the City at fair market value as determined by the City (no free land) and is not taking any public subsidies. However, the City and Google are committed to working together to achieve the DSAP's high level of affordable housing at 25%.

7. (C) How will the Commercial Linkage Fees (CLF) that are generated from the new development from the DSAP going to be used?

The [DSAP Affordable Housing Implementation Plan](#) prioritizes the DSAP area as a priority use of CLF funds in order to achieve the DSAP's 25% affordable housing goal.

8. (C) How does the DSAP and Google's project address displacement?

The DSAP process includes a supporting document, the Affordable Housing Implementation Plan for the DSAP area and surrounding neighborhoods within a half-mile of the DSAP. This document has been created with other City policies in mind and utilized the "3Ps" approach with specific actions to increase "Production", "Preservation" and "Protection" of affordable housing units and residents of San José. Other City policies like the Commercial Housing Linkage Fee and revisions to the

Inclusionary Housing Ordinance all work in conjunction with the Affordable Housing Implementation Plan to achieve a 25% affordable housing goal without displacement.

Additionally, pending resolution of key risks such as feasibility concerns due to Diridon Integrated Station Concept, Lots ABC/Sharks, and Downtown Crane Policy, the Development Agreement discussions continue between the City and Google and are informing the community benefits package. This community benefits package could include investment fund (s) for a "Community Stabilization" fund and/or "Opportunity Pathways" fund. These fund(s) would supplement the City's work in production, preservation, and protection of affordable housing, and could also focus additionally on supporting individuals, households, and small businesses.

DEVELOPMENT AGREEMENT + COMMUNITY BENEFITS

1. (C/G) How much and where is there flexibility in the plan?

The Downtown West Design Standards & Guidelines include a significant amount of detailed controls that regulate and tailor design outcomes at the project site. While designers of buildings and open spaces in the future will have the ability to address these requirements in various ways, the outcomes will be fixed.

Because of unknowns related to the ongoing DISC process, the plan does contemplate a small amount of flexibility in order to shift boundaries of buildings and open spaces, specifically as driven by DISC-related needs. However, the current project application would not be able to deliver both its targeted program (and community benefits package), and accommodate more significant land requirements from DISC or other constraints that reduce square footage because infrastructure costs are fixed; so if the square footage goes too low as infrastructure costs stay fixed, the project will no longer be viable. Google and the City continue to work on this issue with the DISC partners.

2. (C) Why don't we know what the amount of the community benefits Google will be paying based on the discretionary legislative actions we will be taking?

This is contingent on the amount of program or square footage Google is going to be able to deliver at Downtown West, as well as ongoing discussions between the City and Google. We continue to work through factors that may affect total program and benefits together with Google and other stakeholders.

3. (C) When does the City plan on sharing the community benefits package and value with the public?

We hope to bring this back to the community in early 2021.

4. (C) What do you think about having a community stabilization fund and how it should be structured?

We're still working on the community benefits structure , and will look to have more to share on this in early 2021. But if we can hold the program, the City and Google are both excited to look at a stabilization and jobs fund model.

5. (C/G) What challenges or factors might impact Google's plans?

Google wants to ensure the Project is able to produce a compelling set of public benefits that meets the MOU objectives while building a project that for them is on par with simply leasing new office space, in order to ensure Google moves forward with the Project.

PARKS + OPEN SPACE

1. (C/G) How much open space will be available for public use? How is Google meeting its parks obligation?

The project includes approximately 15 acres of generally publicly accessible parks, plazas, green spaces, mid-block passages, and riparian buffers. Approximately 10.2 acres of open space will be owned by Google, 4.1 acres will be designated as permanent, privately owned parks with a public access agreement in perpetuity. The total 10.2 acres consists of privately -owned public parks, semi-public open space, the Los Gatos Creek setback and mid -block passages. Approximately 4.8 acres of public parks and trail will be dedicated to the City -- the dedication and improvement of these 4.8 acres will be in satisfaction of Google's parks obligation.

2. (C/G) Will all parks be privately -owned and operated?

Some parks will be privately-owned and some will be publicly -dedicated. All will be generally accessible to the public.

3. (C/G) What does publicly accessible mean? Do people have to pay to access these private parks?

Publicly accessible includes a few categories: public, which is owned and regulated by city; semi-public, which is something that already exists in the code for commercial cafe spill out seating; and the privately owned but publicly accessible, where it's open to the public but there would be certain instances where parts of the park may be used for private events; much like how Bryant Park in New York or numerous other successful, highly active urban parks work today.

4. (C/G) How was it decided which parks would be city -dedicated vs. privately owned?

Google and the City worked together to determine which parks and open spaces were best suited for private and public use taking into consideration the public input, city - dedicated park policies and requirements in the municipal code, as well as safety and security considerations. Design considerations were also taken into account such as where the larger public spaces could be located to orient towards public parts of the plan.

5. (C/G) How many acres are in the riparian corridor? How are they counted?

2.2 acres are in the riparian setback improvements, and are included in the privately owned 10.2 acres of public open space.

6. (C/G) Is Downtown West providing enough open space?

The City allows different paths to fulfilling the requirement. Google is meeting the code requirement through a combination of land dedication and improvements -- what the City calls its “turnkey” program.

7. (C/G) How would the project accommodate the previously planned open space on the Fire Training site?

The Fire Training site is approximately 4 acres, and was part of a DSAP aspiration to build an up to 8-acre park, which would have required additional land assembly and acquisition. The MOU signed between the City and Google stated that the plan should not decrease park space. The Downtown West plan includes 4.8 acres of city-dedicated parks, out of a total of 15 acres of publicly accessible open space, and the DSAP overall is slated to include a total of 19 acres of open space.

8. (C/G) Who will maintain and operate the Parks and Open Spaces?

Google will be responsible for maintaining and operating the approximately 10.2 acres of privately owned, publicly accessible open spaces throughout the project. The city will be responsible for maintaining and operating the approximately 4.8 acres of City dedicated, public parks and trail. At this time, we are exploring parks management models with Google.

9. (C/G) How will the public -dedicated parks be designed and what if any public input will be available at the time of their development?

The public parks will be designed according to the typical process outlined in the city PRNS standard practices, which includes three community meetings:

- Preliminary Community meeting prior to Application submittal to discuss initial park concepts
- Community meeting after Application submittal to discuss schematic design
- Informational Parks and Recreation Commission meeting

- Plus Director Conformance hearing

10. (C/G) How will the private open spaces be designed and what type of public input process will be available at the time of their development?

The private open spaces will have an opportunity for the public to provide input, consistent with the process building designs will follow:

- Community meeting after Application submittal to discuss schematic design
- Plus Director Conformance hearing

11. (C/G) How will open spaces be managed for inclusiveness, including for people who are homeless?

Google has been focused on this issue, and has communicated that they're interested in a management model that relies on social ambassadors for open spaces, rather than a security-based model.

Google is working with a public-space management firm, MJM, that has a lot of experience in this area. Typically, MJM does comprehensive training for all staff members -- from executives to essential workers. The training, which includes mental health training, helps everybody involved in parks management and operations to understand the various challenges for those park users who may struggle with behavioral or social issues and those who may be facing issues related to homelessness and direct them to the appropriate resources in a helpful and inclusive way.

The training teaches staff how to interact with people who may be facing these challenges appropriately and respectfully, and also teaches staff how to make everyone feel welcomed, while understanding that open spaces have rules and regulations that are applied equally to everyone.

ECOLOGY

1. (G) How will Google manage impacts to the riparian corridor?

The Downtown West plan is consistent with the City's riparian setback policy, and the DWDSG also provides for an expansion of the riparian habitat, compared to the existing landscape, which is largely developed hardscape.

2. (C/G) Is the project in compliance with the City Riparian Corridor Policy?

Yes, the project complies with the City Riparian Corridor Policy and will be seeking allowable exceptions according to the City policy.

3. (C/G) Will Los Gatos Creek be daylighted in this plan?

No, this project does not include daylighting Los Gatos Creek. Because Valley Water owns the creek channel and has jurisdiction of this area, there are major jurisdictional challenges for Google to take on this project.

4. (C/G) How will the project incorporate bird -safe design?

Buildings within or near the ecological buffer zones will include bird safe design with special attention to lighting and windows. Open spaces throughout Downtown West will be aligned with the City of San José's guidelines that are largely encompassed by the American Bird Conservancy's (ABC) Bird-Friendly Building Design (2019) documents.

5. (C/G) Who will maintain the creek on an ongoing basis?

While the Downtown West proposal includes improving water flow in a portion of the creek, Valley Water maintains jurisdiction over the Los Gatos Creek channel and is responsible for creek maintenance, as well as overseeing activities within the banks of the creek channel.

CULTURE AND HISTORIC RESOURCES

1. (C/G) What historic resources will be kept (of the 9 CEQA historic resources)?

Four CEQA historic resources would be kept:

- San Jose Water Company building, a city landmark, at 374 W Santa Clara
- Kearney Pattern Works & Foundry, a candidate city landmark, at 40 S. Montgomery
- Hellwig Ironworks, a candidate city landmark, at 150 S. Montgomery
- Stephen's Meat Products sign, a Contributing Structure to the pending Commercial Signage Discontiguous District

Historic resources as defined by CEQA, and therefore in the EIR, include "candidate" landmark buildings, in addition to buildings that are actually landmarked. Of the 9 CEQA resources within Downtown West, there's one landmarked building -- the San Jose Water Company Building.

Downtown West is preserving the San Jose Water Company Building for community and non-profit use. In addition, the project also preserves other significant buildings that have value to the community such as the Kearney Patternworks and Foundry and Hellwig Ironworks -- two candidate landmark buildings. The project also preserves the Stephen's Meat Products dancing pig sign, which is also considered a historic resource under CEQA, for a total of four retained historic resources. Overall, Downtown West's intent is to create a balance and a bridge between historic San Jose and a dynamic new part of downtown.

2. (C/G) What CEQA resources would be demolished?

Five CEQA resources would be demolished:

- 343 N. Montgomery St, candidate city landmark
- 345 N. Montgomery St, candidate city landmark
- A grouping of three bungalows: 559, 563, and 567 W. Julian St, candidate city landmarks
- 145 S Montgomery St (Sunlite Baking Co), candidate city landmark, state and national register eligible
- 580 Lorraine Ave (Democracy Hall), candidate city landmark, state and national register eligible

3. (G) Is the Poor House Bistro being retained? If not, what are the plans for the business?

The business and property would be able to remain in place over the next 10 years. After that point, there would be two options. One option would be to integrate the Poor House into the project where we could work with the business owner to develop a rent structure that works for them, which could be subsidized by allowing other public use of the space outside of their business hours. A second option would be the relocation of the business and possibly the building to a site outside of the project boundary. As part of our sale agreement with the Poor House owner, significant compensation was provided for a potential relocation. If the Owner wanted to relocate earlier within the initial 10-year period they would be able to do so.

4. (G) Can the plan preserve all the historic buildings?

The Downtown West plan balances the preservation of key historic resources with the development of a cohesive and contiguous plan incorporating jobs and a significant amount of housing, both consistent with and exceeding the vision of the [2014 Diridon Station Area Plan](#). The plan is a reflection of balancing new program, including new housing, open space, and office, with the preservation of historic buildings and resources.

5. (C/G) What will happen to historic buildings planned for demolition?

Other historic buildings will be available for others for a period to purchase and relocate. If they aren't relocated within a specified notice period, then they will be photographically documented for archival purposes, and the buildings will be demolished shortly before construction of new buildings at the same location begins.

6. (C/G) Why can't Google relocate all structures it can't preserve?

Buildings may have irregularities in construction and poor reinforcement, which would make relocation difficult. Large resources would require deconstruction of their roofs and cutting their walls into pieces for transport, which could cause damage to historic features.

7. (C/G) How do the project site's 9 CEQA historic resources relate to the site's 38 age-eligible resources?

A resource is deemed age-eligible when it meets the basic criterion of being 45 years or older. That simply means there are 38 resources on the project site that were built in the 1970s or before.

And the project's technical analysis, performed by ARG, concluded that 23 of those 38 were deemed to be ineligible for listing on any register, including the San Jose Historic Resources Inventory (HRI), because they lack historical significance and/or integrity.

Of the remaining 15 age-eligible resources, 4 are at the level of what the San Jose HRI designates a Structure of Merit, which refers to a resource that doesn't qualify as a city landmark or for the state or national registers, but is nonetheless an important historic property.

And the remaining 11 are identified as resources that CEQA would deem historic, meaning the EIR analyzes the impacts on these resources within the EIR document. Three of those are considered a grouping under the EIR, thus the EIR identifies a total of 9 CEQA resources.

8. (G) Will any aspects of the plan honor the Native American tribes like the Ohlone as part of the project?

Google has reached out to the Muwekma Ohlone Tribe of the San Francisco Bay and plans to work with its members to help ensure the history and culture of San José is reflected in art, programs, the natural environment and more.

MOBILITY

1. (C) Parking amount: how can the project's 4,800 public parking spaces work with the tens of thousands of new employees? And how will different uses like retail and transit work with all that parking?

We've worked with Google to make sure they have a robust Transportation Demand Management (TDM) program that promotes sustainable transportation and reduces single occupancy vehicle (SOV) trips through measures such as offering pre-tax commuter benefits or transit pass subsidies for Google employees, first-last mile connections, and improving commuter bikeways. This is a regulated and monitored

program that assures residential and office users will use alternative means other than SOVs to get to work.

Given the transit richness of this location, and the fact parking will be publicly - available, paid parking, travel behavior is expected to change over time, consistent with statewide goals.

The City and Google's long-term vision for this place is a highly urbanized, centrally located, walkable and bikeable location, anchored by the biggest transportation hub on the West Coast. We think over time there's going to be a shift to walking, biking, and transit here that will reduce the demand for parking overall.

2. (C/G) Is there still going to be enough parking for the SAP Center with all of the development happening?

The project will have at least the same amount, if not more, than exists today on the same land.

3. (G) Why do you need an additional pedestrian footbridge over Los Gatos Creek?

The footbridge will connect the pedestrian network, linking Diridon Station and Downtown in a way that enables people to experience the natural environment of Los Gatos Creek in a sensitive manner. This helps to create a special place that's part of downtown San José, and that's also part of an overall improvement to the riparian habitat.

4. (C/G) How will Google manage potential parking encroachment into neighborhoods?

The project will have a neighborhood intrusion monitoring plan that will ensure that the project's TDM measures to reduce parking are working as intended. Traffic calming measures may be implemented as well, in response to increased circulation.

OTHER

1. (C/G) What is the impact on the project if Google and Sharks Sports & Entertainment (SSE) can't come to an agreement?

The City's committed to making sure that SSE and the SAP Center are well served by circulation and parking, as part of a comprehensive effort to manage the development of the area around downtown and the Diridon station area. Google is also working with the SAP Center to ensure the project can deliver on its commitments.

2. (C/G) What impact would DISC and the downtown crane policy have on Downtown West?

Depending on the scenarios, the impact to the project could be substantial, and right now we're working with Google and the relevant stakeholders to look for timely and thoughtful solutions. To make Downtown West feasible, Google needs a certain amount of program to cover the fixed infrastructure costs. So if either of these issues substantially change the program while infrastructure costs remain the same, community benefits and the very feasibility of the project will be in question.