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To: [Downtown West Project](#)
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From: Phan, Johnny
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Subject: Revised H - 030521.docx

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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 employment opportunity pathways within the City (the "Fund"). Google shall make regular contributions to the Fund during the term of the Agreement.
2. Purpose of the Fund. The purpose of the Fund is to advance equitable development with intent to maximize opportunities for local youth and adults to participate and benefit from job opportunities through training, education, and support ("opportunity pathways") and to minimize displacement and other potential negative impacts on people and place, including from rising costs ("community stabilization"). 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, including the Diridon Station Area, Greater Downtown, East San José, and other areas. The Fund should focus on advancing racial equity, addressing the root causes of displacement and economic mobility, and should result 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 approval to the Committee and Fund Manager, with oversight, accountability, and transparency to the City Council and public. As described in detail in the following sections, the key steps include the following:
 - a. The City will prepare a Fund Initiation Plan, select the Fund Manager, and establish the Committee (City Council approval).
 - b. The Fund Manager will work with the Committee to prepare a Strategic Plan for the Fund and Strategic Plan Updates (at least every 5 years) for City Council approval.
 - c. The Fund Manager will administer the grant process and affirm recommendations on grant-making, based on consistency with the Strategic Plan.
 - d. The Committee will make the grant recommendations
 - e. The Fund Manager will work with the Committee to prepare Annual Performance Reports, for the City Council to receive at a public meeting.
 - f. **Ongoing community engagement and communication.**
4. Contributions by Google LLC. Google shall make payments in the amount of \$22.12 per gross square foot of office development, excluding any related or similar prepayment amounts identified in Exhibit C2 (subject to Consumer Price Index escalation not to exceed three percent (3%) per year), with payment to be made at Certificate of

Occupancy. 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 this purpose 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 as part of the City's annual budget appropriation process. Subject to annual appropriation, the City Council shall allocate monies for two functional categories: 1) Fund administrative costs (including the contracted services of the Fund Manager and City Administration and City Attorney costs to support the Fund) and 2) grant making and other activities of the Fund Manager and Advisory Committee aligned with the Council-approved Strategic Plan.

6. Funding Priorities and Allocations.

- a. The City Council intends that the Fund shall be dedicated to the funding of the following two major program categories ("Program Areas")::



- i. Community Stabilization: Community Stabilization includes prevention of displacement and homelessness, preservation of affordable housing, homeless services, housing innovation research, 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 initial allocation of Fund, excluding payments for Fund administrative costs, shall be distributed to the Program Areas in the following percentages: 50-60% to Community Stabilization and 40-50% to Opportunity Pathways.
 - ii. 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. The review and adjustment of percentage allocations may occur through approval of each Strategic Plan Update by City Council, as recommended by the Fund Manager and Committee.
 - iii. The Fund Manager and Committee shall administer grants consistent with the Strategic Plan and the funding percentages set forth therein.
 - iv.

- c. Others?

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 established in this Agreement and with the Strategic Plan. The City intends that grantees could include nonprofit 501(c)(3) organizations, public education institutions, and public agencies.
8. Roles and Responsibilities.
 - a. Third Party Fund Manager. The primary role of the Fund Manager will be to: ensure strategic impact over time; facilitate community involvement in the grant-making and evaluation processes; 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 Community Advisory Committee and any subcommittees, including capacity building.
 - iii. Manage the solicitation, evaluation, and award recommendations of each round of competitive grants.
 - iv. Affirm alignment of grant awards with approved Strategic Plan.
 - v. Manage development of a Strategic Plan to guide activities of the Fund.
 - vi. Recommend metrics to the City to evaluate the Fund's effectiveness.
 - vii. Conduct public engagement to inform the grant making and program planning process.
 - viii. Develop Annual Performance Report for City Council and the public.
 - ix. Provide technical services to grantees and potential grantees.
 - x. Evaluate grantee performance.
 - xi. Solicit and manage grant programs supported by contributions from other companies and philanthropic organizations.
 - b. Community Advisory Committee. The City intends that the Fund's charter will include the establishment of a Community Advisory Committee (the "Committee") to execute key functions the Fund. Roles would include:
 - i. Participate in the development of the Strategic Plan.
 - ii. Guide scoping of each round of competitive grant solicitations.
 - iii. Review grant recommendations from the Fund Manager and approve grant awards.
 - iv. Provide guidance and support for public engagement..
 - v. Conduct meetings subject to Brown Act.
 - vi. Provide feedback on the Annual Performance Report prior to public review.
 - vii. Participate in fundraising activities.

The Committee should have the authority to set its own by-laws, select 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 Strategic Plan, and application laws.

- c. City Council Role. City Council will retain its legislative authority, including approve the fundamental policy goals and funding priorities for the Fund, adopt the annual budget appropriation, and conduct oversight and audit as necessary.

Roles would include:

- i. Provide high-level direction on fundamental policy decisions for the Fund through approval of this Agreement and subsequent Strategic Plan and Strategic Plan Updates.
- ii. Select and approve the contract with the Fund Manager.
- iii. Approve the structure of the Committee and appoint its members.
- iv. Approve the annual budget appropriation for the Fund.
- v. Conduct a public review of and approve the Strategic Plan and any subsequent 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. Take all necessary actions required under applicable laws and City Charter.

- d. City Administration Role. The City Administration will primarily serve as support for the other parties. Roles would include:

- i. Provide general oversight and serve as a Fund liaison between the various parties involved in the Fund administration.
- ii. Administer the selection process for the Fund Manager, negotiate the contract with the Fund Manager, oversee contract compliance, and manage the fiduciary relationship with Fund Manager.
- iii. Support the City Council in establishing the Committee.
- iv. Bring forth the annual budget appropriation to City Council.
- v. Bring forth the Annual Performance Report to City Council.
- vi. Manage any independent financial audits or program evaluations of the Fund.
- vii. Support the public engagement process.
- viii. Participate on the Committee in an ex officio capacity.

- e. Google Role. In addition to making monetary contributions to the Fund, Google 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,, which could include serving on the Committee 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 both similar in amount of money under management and purpose as the Fund. The City intends that the Fund Manager will receive compensation for its management duties from the Fund.
10. Committee Composition. The Committee shall be comprised of 13 voting members. It is the intent to have a balanced mix of local residents bringing their lived experience perspective to ensure that 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.
- a. The Committee shall reflect the racial, ethnic, economic and other diversity of the City of San José.
 - b. Committee members shall have demonstrated commitment to furthering the City's goals for anti-displacement, economic mobility, and racial equity.
 - c. At least 4 members shall be residents of the City that live or operate a small business in a census tract categorized as 'high-risk' or 'undergoing displacement' by a credible source (such as the Urban Displacement Project at U.C. Berkeley), including at least 2 from East San José and at least 1 from the Greater Downtown Area. The residents 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.
 - d. At least 9 members of the Committee shall have significant professional experience or expertise (e.g., through policy-making, service delivery, academic, or institutional capacity in one of the following fields:
 - i. Affordable housing
 - ii. Tenant advocacy and support
 - iii. Homeless support services
 - iv. Education (early childhood, K-12, post-secondary)
 - v. Training and workforce development
 - vi. Small business support (stabilization and entrepreneurship)
 - vii. Community development
 - viii. Grant-makingThese members shall either live in San Jose, work in San Jose, or otherwise have a meaningful connection to San Jose. While these 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.
 - e. Ex officio (non-voting members) shall include 3 representatives of the City Administration. The role of City representatives is to consider alignment and

collaboration with City strategies, goals, and programs. The Committee may add ex officio seats for Google, additional major funders, or others as deemed helpful by the Committee, and subject to approval by City Council.

- f. Committee members will be subject to applicable state and local disclosure and conflict of interest laws. Each committee members 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.
- g. 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.

11. Committee Selection Process.

- a. The City Administrationshall conduct an open, transparent process for selecting the Committee members, initially and as term limits expire. The process is envisioned to include the following steps:
 - i. soliciting nominations using a standard form to provide information about the qualifications of nominated individuals;
 - ii. screening the nominations for eligibility;
 - iii. ;
 - iv. recommending a slate of eligible Committee members to City Council, and
 - v. approval of the Committee members by the City Council at a public meeting.
- b. Committee members shall be appointed by the City Council for staggered 4-year terms, with the exception of the first Committee, which will have 7 members appointed for 4-year terms and 6 members appointed for 2-year terms.
- c. Citizenship shall not be a factor in the selection process. .

12. 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 the Strategic Plan andgrant making process. The Fund Manager should develop and implement the 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.

13. Audit Rights by the City Council. The City may complete an independent financial and performance audit of the Fundon a biannual basis to ensure conformance with this Agreement, the 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.

14. Strategic Plan The purpose of the Strategic Plan is to set the direction for the grant programs. The 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
- l.v Categories of competitive grant programsiv Expectations for community engagement

The Strategic Plan will be developed by the Fund Manager and Committee, and must be updated at least every five years.

15. Annual Performance Report. The purpose of the Annual Performance Report shall be to analyze and report out on the effectiveness of Fund's grant making , including achievement of outcomes, objectives, and metrics identified in the Strategic Plan...

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