

TRANSMITTED VIA EMAIL

June 19, 2017

Honorable Mayor Sam Liccardo and Members of the City Council
 City of San Jose
 200 E. Santa Clara Street, 18th Floor
 San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers Arenas, Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez, and Rocha:

**Re: Item 4.1 Agreement with Google for Acquisition and Development
 of Properties in the Diridon Station Area**

On behalf of our members, we write today to express our support for staff's recommendation to negotiate and enter into an Exclusive Negotiation Agreement (ENA) with Google to acquire Successor Agency-owned properties and to explore the potential for a once-in-a-lifetime development at the Diridon Station. This is a very exciting opportunity for San Jose. If done right, the City has the opportunity to create an iconic community with office, retail, and housing adjacent to a vibrant transit center, and within a short walk of Downtown.

Diridon Station is a key transit hub and will become even more so with the extension of BART and the addition of high speed rail. Locating jobs and housing adjacent to transit is a best practice, one that we know results in many positives, including decreased traffic congestion, reductions in greenhouse gases, and reduced cost of living.

As the Council takes this action, it is important that the applicant be provided with the flexibility to implement a successful, vibrant, mixed-use development, and that the vision include both housing and affordable housing to accommodate the new workers and the workers who will support them. **Housing must be a critical component of this Plan.** While the current Diridon Station Area Plan is envisioned as a mixed-use transit urban village, its focus is largely on new offices and retail spaces, including fewer than 2,600 units of housing, 15% of which would be affordable to lower- and moderate income households, or 390 homes, consistent with current inclusionary practices.

Though early in the process, the ENA negotiation process presents a unique opportunity to make a strong statement that housing is not an afterthought. According to the staff report, at build out, this project-- spreading across 240 acres-- could create 6 to 8 million square feet of employment uses and between 15,000 to 20,000 new jobs. We know that each of these 15-20,000 people and their family members will need a place to live, and that they will demand services from many others, all of whom will demand housing in this tight housing market. We urge the Council to give

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Addressee
Re: Subject Line
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thoughtful consideration to the City's need for housing and affordable housing as it approves any new development, but particularly a development of this size.

To that end, we recommend that the Council take the following actions:

1. Revise the recommendation to say: "Adopt a resolution authorizing the City Manager to negotiate and execute an Exclusive Negotiation Agreement (ENA) with Google for the acquisition of properties owned by the City of San Jose and properties owned by the Successor Agency to the Redevelopment Agency (SARA) in the Diridon Station Area for the potential future construction of a mixed-use, transit oriented development including office, R&D space, and mixed-income residential uses."
2. As part of the robust and transparent community outreach process recommended by Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers Peralez, Davis, Arenas, and Jimenez, direct staff to work with Google's development team and affordable housing advocates to begin conversations about the inclusion of housing in the vision for this development.
3. Increase the goal for affordable housing from the current 15% to at least 25% affordable to households earning less than 80 percent of the area median income - consistent with recently enacted General Plan policies regarding affordable housing in Urban Villages.
4. Rethink the Plan's current rigid development pattern that separates housing and employment uses to implement an urban, walkable, mixed use community. Housing should not only be allowed, but should be encouraged in the Northern and Central parts of the Diridon property.

As one of our home grown tech companies, Google recognizes its role as a responsible corporate ally to the Silicon Valley community and has been very engaged in responding to the housing needs of our residents. Google has been a leader in supporting up to 10,000 new homes on its North Bayshore campus in Mountain View, is creating new modular homes for its workers at Moffett Field, and has supported affordable housing development as an investor in the Low Income Housing Tax Credit Program.

In closing, we share in the excitement that this project brings to San Jose and believe that it has the potential to be a visionary, urban development. We look forward to working with you and with Google as the project moves through the process from vision, to plan, to reality.

Sincerely,



Pilar Lorenzana
Deputy Director, SV@Home

