Envisioning Community

Our community’s expectations for the San Jose Google mega-campus
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Executive Summary

In June 2017, Google announced plans to build a major new campus in downtown San Jose around Diridon Station. This project could bring as many as 20,000 Google employees to the city — plus an estimated 8,000 subcontracted service workers — making this the largest tech campus in Silicon Valley.¹

This project has created serious concerns in the San Jose community about how it could exacerbate growing displacement, gentrification, and economic, racial and gender inequality in a city where neighborhoods are already being uprooted by the tech sector’s continued growth.

Google’s plans rely on significant public contributions from residents in San Jose, including:

- Selling Google over 20 acres of the City’s most valuable public lands.²
- Investing over $10 billion in taxpayer dollars to make Diridon Station the biggest transit hub on the West Coast.³
- Allowing Google to build much higher and more densely than is currently permitted, increasing the value of the land by hundreds of millions of dollars.⁴

Yet at the same time Google is expecting our community’s assistance, it has yet to share key details about the project or provide any meaningful opportunity for the public to comment on the specifics of its plans. Nor has it taken any steps to address community concerns in good faith. Instead, the company has been negotiating behind closed doors with the City of San Jose, and, after much delay, offered up a community engagement process where the company, its lobbyists and its allies are given an outsized voice.⁵

In response to this lack of community engagement, Silicon Valley Rising, a coalition of labor, faith, and community leaders, has brought together residents from across San Jose in a conversation about Google’s plans and what they mean for the future of our city and its working families. In three town hall meetings and in a survey of nearly 1,000 San Jose residents, the community identified five key expectations for Google if it wants to build a new mega-campus in San Jose.

Based on this community input, Silicon Valley Rising is calling for Google to negotiate a Community Benefits Agreement to address the impacts of the project and ensure that residents across the city can share in the benefits, and not just the negative consequences, of Google’s expansion into San Jose.

Google’s proposed 6-8 million square foot San Jose project would be the largest tech campus in Silicon Valley.

Over 1,500 San Jose residents took part in our community town halls and survey.
Our community’s expectations for Google:

Partner with our community to fight displacement, gentrification and homelessness

- Fund a community-administered affordable housing fund focusing on low-income residents to stop any direct or indirect displacement or homelessness as a result of the project.
- Require residential developments to allocate 25% of units for the lowest-income residents.
- Ensure legal defense for Santa Clara County tenants facing eviction.
- Support tenants’ rights policies, including providing the community with financial support for local housing policy campaigns.

Ensure family-supporting jobs and a voice at work for local workers in construction and operations

- Commit to a First Source Hiring policy, providing San Jose residents first consideration for jobs.
- Ensure that all service contractors and long-term tenants give workers a fair process to decide whether or not to join unions, free from intimidation or retaliation.
- Commit to responsible contracting standards to ensure contracted-out jobs are good quality jobs with fair and safe working conditions. Google and long-term tenants must commit to hiring companies recommended by industry watch-group responsiblecontractorguide.com to ensure good working conditions in the property services industry.
- Sign a Project Labor Agreement to ensure good, local construction jobs.
- Ban the box to remove questions on previous convictions from hiring applications.
- Provide annual reports to the community on the quality of jobs.
69% of survey respondents think Google has a responsibility to **fund local schools and youth programs.**

77% of survey respondents think Google has a responsibility to **develop transportation solutions to deal with traffic.**

68% of survey respondents **do not trust the City government** will prioritize community needs as it negotiate with Google.

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**Support local schools to promote education and career opportunities for all children**

- Support affordable, accessible, quality early childhood education and child care.
- Collaborate with local parents, teachers, students and school districts to support public schools serving minority and low-income neighborhoods across San Jose.
- Help provide low-income and disadvantaged children with access to quality education and enrichment.
- Support housing access for teachers and school employees, especially those working in the highest-poverty schools.

**Broaden access to transit and mitigate traffic impacts**

- Commit to pay its full contribution for any necessary traffic mitigations.
- Develop a Transportation Demand Management plan to mitigate local traffic impacts, including providing both directly-employed and subcontracted workers access to public transit systems, employer shuttles and mode-shift systems.
- Provide funding to expand public bus services overall, including expanding service hours on specific routes that lead to Diridon Station and providing assistance to pay for free fares for youth, seniors and disabled populations.

**Provide community oversight of community benefits**

- Negotiate a Community Benefits Agreement with members of Silicon Valley Rising with enforcement mechanisms including a community oversight committee representing San Jose community, labor, and faith leaders to oversee the implementation of the agreement, modeled after the enforcement tools in the Oakland Army Base Community Benefits Agreement.
Introduction

On June 20, 2017, the City of San Jose voted to enter into an Exclusive Negotiating Agreement with Google, one of the world’s largest technology companies, to explore selling some of the City’s most valuable public lands to the company. While little has been revealed about the project, Google has expressed its intent to develop a new mixed-use campus including up to 8 million square feet of commercial office space surrounding Diridon Station in downtown San Jose. The project could bring up to 20,000 Google workers, and potentially as many as 8,000 subcontracted service workers, to downtown San Jose.

Seven of the sixteen parcels of public land Google seeks to purchase (roughly 15 acres) are owned by the City of San Jose and nine of these properties (roughly 6.5 acres) are owned by another public entity, the Successor Agency to the Redevelopment Authority of San Jose. Now the City and the Successor Agency are engaged in negotiations with Google surrounding the potential land sale. The City of San Jose hopes to develop an initial framework for the deal, selling all sixteen parcels, beginning with a memorandum of understanding by October 2018 and a sales agreement by December 2018.
In order to make the project a reality, residents in San Jose need to make several significant public contributions benefiting Google, including:

- **Selling off some of the City’s most valuable public lands**, at a time when privately-owned commercial properties in the downtown San Jose area are selling for record highs.⁹

- Overall taxpayers are **investing over $10 billion to make Diridon Station the biggest transit hub on the West Coast**. Google’s planned campus relies on taxpayers to foot the bill to extend BART to Silicon Valley, electrify Caltrain, redesign the station’s infrastructure, and complete High Speed Rail lines connecting the area to Los Angeles and San Francisco.¹⁰ Google and its business partner Trammell Crow could potentially own a majority of the private land immediately surrounding the station, making Google among the largest beneficiaries of these public investments.

- **Rezoning and changing land use rules to make the land more valuable**. To accommodate 8 million square feet on what City officials have said will be a roughly 40-acre project site, Google may need to build roughly twice as high as is currently allowed in some parts of the area. Google is also looking to build nearly twice as much commercial office space as allocated in the entire 240-acre Diridon Station Area Plan.¹¹ Google will need to seek a number of planning amendments and rezoning decisions on both publicly and privately purchased properties to accomplish these goals. This may increase the value of Google’s land by hundreds of millions of dollars.

Combined, the value of the public investments, benefits and discounts requested by Google from the public ranks among the most generous packages of public supports sought by any technology company office development within Silicon Valley, potentially more valuable than much-maligned deals like San Francisco’s payroll tax break deal with Twitter.¹²

Upon completion, this would be the largest tech campus in Silicon Valley, larger than all of Google’s current office space in Mountain View combined and nearly three times the size of the new Apple Park development in Cupertino.¹³ Except rather than a suburban campus, it would all be centered in the middle of an urban community. Upon completion, Google could become the largest owner of commercial real...
Google delayed holding a single public meeting until 253 days after beginning negotiations.

Estate and the largest private sector employer, not only in San Jose but all of Silicon Valley.14

Despite Google’s long list of demands for public resources, it has been relatively silent when it comes to sharing with the public what it has planned for the site, releasing few details since announcing the project in June 2017.

Additionally, with support from the City of San Jose, the company significantly delayed meeting even the minimal public engagement milestones agreed to in its Exclusive Negotiating Agreement with the City. Despite being required initially to deliver a public engagement plan by October 18, 2017 and beginning meetings with the public shortly thereafter, Google failed to host a single public meeting on the project until February 28, 2018 — a full 253 days after exclusive negotiations began on the project.15

After months of delay and three timeline revisions, the company finally agreed to a public engagement process, but the process heavily relies on an advisory committee which includes a large number of slots for Google, its lobbyists and other allied organizations. This committee began its work in late February.16

**Tech sector real estate development: Business as usual**

A project of this size will have enormous impacts on San Jose and is deserving of a robust public conversation before the City agrees to any deal with Google. While the project could bring new jobs and tax revenue and likely help attract additional commercial and residential development downtown, it could also result in a host of negative consequences for San Jose’s neighborhoods if Google and the City of San Jose do not take meaningful steps to address issues like housing affordability, job quality, education and traffic.

In recent years, the technology companies in Silicon Valley have experienced some of the largest and fastest accumulations of wealth in history. Major companies like Google have grown to be among the world’s wealthiest corporations and the sector added well over 100,000 tech workers to the regional economy between 2010 and 2016.17
Yet Silicon Valley’s tech companies have failed to create broad prosperity in the region. Instead, the tech boom has had significant negative consequences, especially for people of color and tenant families:

- **Extreme rent increases**: Since 2009, rents have increased four times faster than wages for tenant families.\(^{18}\) To afford the average apartment in San Jose today, renters need to earn nearly $94,000 a year.\(^{19}\) While the tech sector is not solely responsible for the housing crisis (certainly local, state and federal policy and public opposition to housing production also play a key role) academics like Richard Florida have begun to point to the technology sector’s disproportionate role in rapidly driving up housing costs in cities like San Jose.\(^{20}\)

- **Growth of low wage jobs**: According to the Bay Area Council, every high tech job creates the need for 4.3 local service and goods-producing jobs, including a large number of low wage jobs.\(^{21}\) As a result, five of the top ten fastest growing occupations in Silicon Valley pay less than $15 per hour, far too little for a family to support themselves given the region’s sky-high cost of living.\(^{22}\)

- **Gender, racial and economic inequality**: Latinos, African Americans, Filipino and Vietnamese workers represent a majority of San Jose’s population but are significantly under-represented in high-wage tech jobs.\(^{23}\) Similarly, women continue to represent only a small fraction of workers within tech.\(^{24}\) The continued growth of high-wage and low-wage work has led to increasing inequality, creating a growing divide between San Jose’s working class families and the wealthy tech elite, and a changing character and culture across the city.\(^{25}\)

- **More traffic**: As housing prices have grown, more workers have been pushed into the Central Valley and further away from Santa Clara County to find more affordable housing. Today the region is home to a growing number of workers traveling 90 minutes or more each day to work, whose ranks have grown by nearly 60% since 2009.\(^{26}\)
Given the widespread concern about impacts of Google's expansion in San Jose and the lack of any space for a meaningful public conversation on the project, Silicon Valley Rising has led its own community engagement process. Since August 2017, the campaign has:

- Conducted dozens of one-on-one conversations with San Jose community leaders across neighborhood associations, small businesses, faith, labor, education and community-based organizations about the Google project and the community impacts they see.

- Hosted a series of three town hall-style meetings that brought together diverse members of the public for a discussion of their hopes and concerns about the Google project. These meetings included remarks by elected leaders including Vice Mayor Magdalena Carrasco and Councilmember Raul Peralez, and engaged over 700 community members in small group discussions about the project. The town halls were at:
• Mexican Heritage Plaza on August 24, 2017
• Washington Community Center on September 20, 2017
• Gardner Community Center on November 20, 2017

• Surveyed nearly 1,000 San Jose residents about the Google project to identify and prioritize issues the community believes Google has a responsibility to address. The surveys were distributed at the three public meetings, online at SiliconValleyRising.org, and via social media, email and text-message outreach between August 2017 and January 2018.27

Members of the community were clear: for this deal to work we need to develop a set of agreements to ensure the project does no harm when it comes to rising rents, displacement and inequality. While the community meetings and surveys raised a broad range of topics, five issues emerged as top priorities:

1. Fighting displacement, gentrification and homelessness
2. Ensuring family-supporting jobs and a voice at work
3. Supporting local schools to promote education and career opportunities for all children
4. Mitigating traffic impacts and broadening access to transit
5. Providing community oversight of community benefits

An outline of policy proposals based on the results of these surveys and town halls was shared back with a group of 100 residents on February 27, 2018 at a meeting at the Mexican Heritage Plaza and debated. In the end the overwhelming majority of attendees supported the demands identified in this report as the right priorities to bring forward to decision-makers at Google and the City of San Jose.

Over the course of this engagement, it became clear that the stakes of this project are high. Many of the more than 1,500 residents we engaged are not optimistic about the present state of San Jose and their future here. A strong majority (62%) of survey respondents reported feeling like their quality of life has decreased in recent years. Similarly, the public almost universally agrees (93%) inequality is increasing across San Jose. Perhaps most concerning, a majority of those surveyed (54%) said they do not believe their family will be able to continue living in San Jose ten years from now.

54% of survey respondents say their do not believe their family will be able to continue living in San Jose ten years from now.

For this deal to work, we need to develop a set of agreements to ensure the project does no harm when it comes to rising rents, displacement and inequality.
Therefore, Silicon Valley Rising is calling on Google to negotiate a Community Benefits Agreement (CBA) with its diverse coalition to address the tech giant’s impacts and enable working families to continue to live in San Jose as Google grows. A CBA gives community leaders a legal structure to work with Google and ensure the public goods we are investing in the tech giant’s expansion create widespread opportunity. Such a CBA should capture the value of all the public benefits Google is seeking from the City — from discounted public lands to valuable upzoning and transit investments that could be worth hundreds of millions of dollars — and deliver it back to San Jose’s communities.

This report lays out a framework for a CBA that would address the five areas raised by the San Jose community, and create a win-win-win scenario for our working families, the City of San Jose and Google. While certainly there are additional areas of community concern connected with this project, from environmental impacts to open space to small business impacts, this report explores the issue areas community members focused on most concretely during discussions hosted by Silicon Valley Rising.

In the coming months, Silicon Valley Rising will seek to refine its recommendations and demands as the coalition continues to engage with residents across the city, the Mayor, City Council and Google.
A CBA is a project-specific contract (or set of contracts) resulting from substantial community involvement, and signed by community groups and a real estate developer. A CBA requires the developer to provide a range of specific amenities or mitigations to the local community, in exchange for the community’s support for the project. CBAs are legally binding and directly enforceable by the community signatories. They allow meaningful, up-front communication between the developer and a broad community coalition, which decreases developers’ risk while maximizing the positive impact of development on local residents and economies. They provide the developer with greater certainty the project will move forward thanks to active community support, and community members gain agreements that the project will respond to their needs. For large scale developments requiring significant public resources in recent years, community benefits agreements have become a regularly utilized tool.

CBAs offer two important advantages over the traditional land use approval process. First, the process of negotiating a CBA allows for a more constructive and collaborative conversation about meeting community needs than the often adversarial and highly structured hearings that are part of a local government’s project approval process. Second, a private agreement is free from certain critical legal constraints that apply to government conditions on development projects, so the community and the developer may negotiate over a wide variety of topics and come up with creative approaches.

Community Benefits can be agreed to in multiple forms, either as a part of government agreements with developers or through private agreements between a developer and community stakeholders directly. The results of negotiations over community benefits can ultimately be reflected in several kinds of documents.

According to the Partnership for Working Families, a network of community-labor coalitions across the country which has been intimately involved in negotiating numerous CBAs, the most productive and effective arrangements take the form of an enforceable agreement between the developer and the community groups. Such agreements work best when finalized as a package prior to the initial project approvals, allowing the community and the developer to have clear expectations about what the project will deliver. In turn, the community groups agreed to refrain from challenging the project or project approvals legally, or publicly opposing the project.
Some powerful examples of Community Benefits Agreements include:

**Oakland Army Base Jobs Policies**

In July 2012, the Revive Oakland coalition won an incredible package of jobs measures for the $800 million redevelopment of the Oakland Army Base undertaken by local Oakland developer CCIG and global corporation Prologis. The package includes at least $300 million in public resources. The project, a modern goods movement and warehousing development, is expected to produce more than 2,800 construction jobs and 2,000 operations positions. The Jobs Policies established requirements that included:

- Employer responsibilities for hiring locally, including maps, streets, and zip codes for priority hiring areas,
- Project labor agreements,
- Long-term construction career opportunities,
- Living wage standards,
- Establishment of a jobs resource center in West Oakland, and
- Requirements for employers to not ask about criminal background on job applications.

The Jobs Policies resulted from extensive work between City staff, City Councilmembers, and a broad range of community stakeholders. The Jobs Policies were included in two binding contracts:

1. The policies were included as terms of the Disposition and Development Agreement between Oakland and the project developer and made binding on project contractors and tenants, as well as successors and assigns.

2. The city and community groups also entered into a cooperation agreement under which the groups agreed to support the project in exchange for assurances about the delivery of community benefits.

The Revive Oakland Coalition was led by a 12-organization steering committee and represented over 30 entities, including labor unions, community organizations, faith leaders, and government agencies. The coalition led extensive CBA negotiations between with the City, coalition, and developers, which resulted in the Oakland Army Base Jobs Policies.
Kingsbridge Armory CBA

In April 2013, the Kingsbridge Armory Redevelopment Alliance, a broad-based coalition of community organizations, entered into a comprehensive CBA with developer KNIC Partners, LLC, regarding the redevelopment of the Kingsbridge Armory in the Northwest Bronx. The project, an ice sports center, will include nine hockey rinks, a 5,000-seat arena and a 50,000-square-foot community space. Shortly after announcement of the CBA, KNIC Partners, LLC, the developer who had entered into the agreement was selected by the City of New York to build the project. Under the CBA, KNIC Partners agreed to:

- A “wall to wall” living wage payment requirement, covering all workers within the project;
- A requirement that at least 25% of construction employees be targeted workers;
- A requirement that at least 51% of non-construction workers within the project be local workers, with first priority placement of underemployed residents of the immediate neighborhood;
- An $8 million initial contribution, plus substantial ongoing contributions, to a coalition-controlled fund that may be used for specified community needs;
- A grant program for local businesses that employ large numbers of local workers;
- Local contracting, minority and women owned business utilization, and local procurement requirements; and
- Formal structures for community-based oversight and enforcement of CBA commitments.

Kingsbridge provides an excellent example of the kind of comprehensive and effective solutions that can come about through a private CBA. The actions of local officials helped set the backdrop for negotiation of the CBA. A prior developer of the same site refused to agree to community benefits demands after extensive community work. In part on that basis, the City Council declined to approve the prior developer’s proposed project.
Facebook CBA

In 2016, Facebook entered into a “community compact” agreement with community groups in connection with its proposal to expand its corporate headquarters in Menlo Park. Facebook committed:

- $18.5 million to create and fund a Catalyst Housing Fund to identify and finance opportunities for the development and preservation of long-term affordable housing in the vicinity of the Facebook campus;
- $250,000 to Rebuilding Together Peninsula for the rehabilitation of homes in East Palo Alto and Belle Haven focused on low income residents;
- $625,000 to support a pipeline training program for STEM to local residents in East Palo Alto and Menlo Park and hire a community jobs liaison for Facebook employment opportunities based at the Facebook headquarters;
- $500,000 to fund tenant support services for low-income community residents.

Other examples of CBAs include Pittsburgh’s One Hill project, the Staples Center and LA Live development, and Bayview-Hunters Point.

Every project is different, and certainly the Google project is larger in size and will likely include greater public supports than some of these examples. As such, a Google CBA should be proportionally larger in scale to address its significant impacts on San Jose’s communities.
San Jose’s affordable housing crisis has forced families to cram together in small apartments, move hours away to find cheaper housing, and make unhealthy trade-offs between rent and other essentials such as food and prescriptions. For 4,350 of our neighbors in San Jose, it means sleeping on the streets, or in shelters, cars or RVs every night.

As the technology sector has grown, high-wage workers seeking housing have contributed to significant increases in rent. These demand shocks have been worsened by a restricted housing supply, with San Jose and other Silicon Valley cities failing to meet regional demand for housing construction, especially for housing affordable to low- and moderate-income households. Landlords have taken advantage of a challenging housing market in San Jose by charging extreme rent increases, evicting low-income tenants, and refusing to make repairs and address building code violations. While City policies such as rent control and just cause eviction protections are helpful, more must be done to protect vulnerable renting families and seniors.

71% of survey respondents think Google has a responsibility to address its impact on rents and housing prices.

73% of survey respondents think Google has a responsibility to protect current residents from being displaced.
Addressing displacement and housing affordability were among the top concerns shared by survey respondents. At the town halls, community members shared stories of how extreme rent increases have led to evictions and pushed neighbors and family members to leave San Jose for cities across the Central Valley in search of more affordable housing. Teachers spoke of the impact on their classrooms, as displacement leaves schools with decreasing enrollment.

One of the most saddening findings from the survey was that a majority of respondents did not believe their family would be able to continue living in San Jose in the next ten years. Even for residents who own homes, a number said rising rents mean their kids will not be able to remain in San Jose.

Community members worry that Google’s plan to build a campus for high-wage programmers and engineers could exacerbate the displacement crisis for low-income San Jose residents, unless the company makes significant investments in affordable housing and tenant protection.

In San Jose the average effective rent for a two bedroom apartment was $2,524 a month. Given that the median renting family makes roughly $6,000 a month, it’s no surprise that many families are already struggling to make ends meet. The overwhelming majority of renters are already paying unaffordable rents, spending more than 30% of their income on housing each month. Most renters making less than $50,000 spend more than half of their income on rent every month.

“My husband’s family, all his family moved to Modesto, Fresno, Madeira. We’re almost the only ones here because they couldn’t handle it, you know, the rents.”

– Angelica F. (survey respondent)

“Look at Mountain View: as Google has continued to expand, rents have skyrocketed, pushing more families out of their communities and forcing many to live out of their cars or RVs. Is this what we want for the future of San Jose?”

– Salvador Bustamante
Executive director, Latinos United for a New America
Rising rent is not just simply an economic issue, it stands as a critical racial and gender justice challenge across San Jose. While only 41% of San Jose residents overall live in rental housing, the majority of Latino (61%), African American (70%), non-citizen immigrants (72%) and women-headed households (57%) in the city depend on rental housing. These are also the residents most at risk of facing eviction.

The City of San Jose has fallen short on the goal of ensuring the city has enough affordable housing to meet the need our working families today, a challenge that will only be amplified if the Google project moves forward. In 2017, while exceeding its goals for constructing luxury housing, San Jose only met 11% of its state mandated goals for building low income affordable housing.

With developers announcing plans for new luxury housing developments surrounding Diridon Station, residents also raised questions about what could happen to rent controlled apartments, which tend to be among the most affordable rental options in the City. Currently there are hundreds of rent controlled apartments in neighborhoods immediately surrounding Diridon Station, which may be at risk of being redeveloped. Residents also expressed concerns that with single family homes in San Jose already selling for over $1 million, neighborhoods with more affordable prices like East San Jose could see housing costs skyrocket as Google employees look to buy starter homes in the city, cutting off future generations of residents from being able to remain in San Jose.

Residents pointed to a couple of examples of what they feared could happen in San Jose:

- In Google’s hometown of Mountain View, asking rents have increased 50% since 2010. As Google has pursued aggressive expansion plans, Zillow reports rents have reached nearly $4,000 a month.

“The rich are getting richer and low income families are being displaced.”

– Martin A. (survey respondent)
Unaffordable rents have pushed working people in Mountain View into the RVs that now line many city streets. Since Google’s potential campus in San Jose would be larger than all of the company’s Mountain View office space combined, many fear what has happened in Mountain View will come to San Jose.

- Another example was San Francisco’s SoMa District, which has seen a rather tumultuous redevelopment with the growth of Twitter and other tech companies, including Google’s San Francisco office. Housing prices have shot up significantly, leading the neighborhood to experience some of the city’s highest rates of displacement according to UC Berkeley’s Urban Displacement Project. The neighborhood has also been a hotspot for heated political debate between renters and tech companies.

In order to make the Google deal a success, there needs to be a plan to ensure Google causes no harm when it comes to housing affordability, extreme rent increases and tenant protections.
Community demands for Google:

**Fund a community-administered affordable housing fund.** Google should make a major financial commitment to finance preservation and construction of enough low-, very low-, and extremely low-income housing in San Jose to stop any direct or indirect displacement or homelessness as a result of the project. This should include:

- Acquiring land near transit developments to support the development of affordable housing;
- Acquiring and rehabilitating multi-family housing properties, including those at risk of being taken off the market under the Ellis Act, for preservation;
- Community ownership models including co-ops, tenancy-in-common and community land trusts; and
- Providing affordable housing opportunities to San Jose residents in communities at greatest risk of displacement and gentrification.

**Make at least 25 percent of units affordable.** In any residential properties developed as part of the development, the company should make 25 percent of units deed restricted affordable housing for low-, very low-, and extremely low-income residents.

**Ensure legal defense for tenants facing eviction.** Google should fund tenant legal assistance for every low-income Santa Clara County tenant facing eviction proceedings over a ten-year period.

**Support tenants’ rights policies.** Google should endorse statewide efforts to repeal California’s Costa Hawkins Act. Additionally the company should provide financial resources to be used for local housing-related policy initiatives, which could include ballot measures supporting tenants’ rights and other legislative, administrative or advocacy initiatives.
The highest ranking concern among the San Jose residents who responded to the survey was whether the Google development would provide jobs with livable wages for residents. Many community members pointed to the enormous economic gap faced by low-wage workers who do their part to make Silicon Valley the most prosperous region in the world, yet struggle every day to feed their families, pay their rent and take care of themselves and their children when they are sick. Roughly 40% of Silicon Valley households do not make enough money to meet their most basic needs.

The growth of technology companies has created a spike in not only high-wage jobs but also indirectly in low-wage jobs. The Bay Area Council, for example, estimates that for every job created in the tech sector in the region, approximately 4.3 jobs are created in other local goods and services sectors, including a significant number of lower wage service industry and blue-collar jobs.

Community members raised concerns about the job quality of three categories of workers connected to the Google development: subcontracted service workers, construction workers and on-site retail and operations workers.

Ensuring family-supporting jobs and promoting diversity & worker voice

81% of survey respondents say their wages have not kept pace with their family’s housing costs.

82% of survey respondents think Google has a responsibility to provide jobs with livable wages for residents.
Subcontracted service workers

The tech sector’s biggest companies rely on an army of poorly paid subcontracted service workers (who often do not receive basic benefits) to feed, protect, clean up after and drive their workforce. Despite earning $27.2 billion in earnings before tax last year, Google relies on thousands of low-wage service workers and is among the largest employer of subcontracted service workers across Silicon Valley’s technology sector. In its Mountain View offices, Google relies on an estimated 5,000 service workers as janitors, food service workers, security officers and shuttle drivers. Based on the size of the project, Google could employ 8-10,000 subcontracted service workers in its proposed San Jose development.

On average, across Santa Clara County these subcontracted workers make roughly one fifth of the money directly employed tech sector workers bring home. The majority of these workers’ households qualify as low income and eligible for affordable housing subsidies. In the past two decades, the number of Silicon Valley jobs in subcontracted industries has grown three times as fast as overall Silicon Valley employment.

During the town halls, many service workers in the tech industry, including San Jose residents who currently work for Google in Mountain View, noted the struggles they have faced in paying rising rents and covering even basic expenses. Attendees raised their hopes that Google would support better job quality for its service workers and also support giving workers a voice at work by agreeing to card check labor neutrality if workers choose to organize a union.

Retail workers

In its description of the project, Google has noted its intent to develop a mixed-use project including ground-floor retail stores. Since many non-managerial occupations in retail typically pay only just above minimum wage, these additional low-wage retail jobs would likely add to the project’s need for affordable housing. A retail sales associate would need to work over 140 hours a week to afford the average priced apartment in San Jose.
Construction workers also raised concerns about the Google project. Workers hope to see commitments from Google to support good construction jobs for local workers by supporting a Project Labor Agreement (PLA). PLAs benefit working families, contractors, communities and taxpayers by ensuring projects are completed on time and on budget, requiring employee training and ensuring that public investment benefits local communities through hiring local workers at family supporting wages. PLAs guarantee that local hiring is a priority and set guidelines for hiring of local workers and apprentices first, including workers from economically vulnerable communities.

While high-road construction contractors pay their workers the prevailing wage and compete based on the quality and efficiency of their work, there is another set of contractors who compete primarily on cost by paying the lowest wages possible. A surprising number of San Jose construction workers are not earning enough to afford to live in the area. In San Jose, the majority of workers in the construction industry earn such low wages they could qualify for affordable housing subsidies (earning under 80% of area median income.) Low-wage construction work tends to impact workers of color, who make up 75% of this workforce.

Job quality as a solution to tech’s impact on our housing crisis and diversity challenges

The vast majority of people surveyed said their housing costs have risen much faster than their wages. Over the past decade, the growing tech sector has raised wages for white-collar workers, but the industry’s expansion has failed to lift the wages of service and blue-collar workers. In fact, after factoring in the rising cost of rent, service sector and blue-collar workers have seen their take-home earnings decrease significantly, by 19.9% and 24.1% respectively.

And in a stark diversity gap, African Americans and Latinos make up the majority of construction workers, retail workers, janitors, food service workers, security guards, and shuttle bus drivers who help build and sustain the tech economy — yet comprise just 10% of the directly hired tech workforce.

Companies like Google and its development partners must do more to help workers involved in their businesses and development plans.
Community demands for Google:

**Give local workers a first shot at jobs.** Google should commit to a First Source Hiring policy, providing San Jose residents first consideration for jobs, including setting a goal and make investments to support the hiring of local residents and disadvantaged residents for 30 percent of all positions and 50 percent of entry-level positions at every phase of the development: from construction to operations.

**A fair process to join a union.** Google should ensure that all of its service contractors and long-term tenants give workers a fair process to decide whether or not to join unions, free from intimidation or retaliation.

**Responsible contracting.** Google should commit to responsible contracting standards to ensure contracted out jobs are good quality jobs with fair and safe working conditions. In the property services industries (janitorial and security) subcontracting has facilitated the proliferation of irresponsible contractors who face allegations of rampant wage theft, harassment and subject workers to unsafe, poverty wage jobs. Google and long-term tenants must commit to hiring companies recommended by industry watch-group [responsiblecontractorguide.com](http://responsiblecontractorguide.com) to ensure good working conditions in the property services industry.

**Create high road, local construction jobs.** Require Google, the developer, their contractors and any subcontractors to sign a project labor agreement that requires paying construction workers a prevailing hourly wage and benefit rate; utilizing registered apprentices at a rate equivalent to the State of California’s standards; and ensuring that at least 25% of registered apprentice hours on the project will be performed by workers from vulnerable populations who are graduates of a City-approved pre-apprenticeship program.

**Ban the box.** Google, its development partners, contractors and any future tenant businesses would remove any questions about previous convictions from hiring applications and ensure compliance with state law.

**Monitor the quality of jobs.** Google shall provide an annual report to the community on the hiring of local workers, and the wages and benefits paid to any workers on the site, including Google, the developer, any tenants and contractors including project wide and employer by employer data. This should include reporting annually on positions or classifications that include a screening for previous convictions.
Supporting local schools to promote education and career opportunities for all children

Another major theme across the town halls was how Google, as a future anchor institution in the San Jose community, should do its part to support access to education and opportunity for San Jose’s children. Participants especially focused on the need for greater resources for schools serving the lowest-income students or students from backgrounds that are severely under-represented in STEM careers, to help build the pipeline to opportunity for immigrant, minority and low-income students.  

Many members of the community raised the well-publicized issues surrounding Google’s lack of gender, ethnic and racial diversity. Only 4% of Google’s tech workforce in 2017 were of Latino or African American heritage. By contrast, San Jose’s population is 36% Latino or African American. And in San Jose’s two largest high school districts, San Jose Unified and East Side Union, over half of all students are Latino or African American.
Many of the neighborhood schools directly adjacent to the Google development serve student populations who are almost entirely youth of color from low-income families. For example:

<table>
<thead>
<tr>
<th></th>
<th>African American or Latino Students</th>
<th>Socioeconomically Disadvantaged Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Elementary</td>
<td>97%</td>
<td>95%</td>
</tr>
<tr>
<td>Luther Burbank Elementary</td>
<td>95%</td>
<td>91%</td>
</tr>
<tr>
<td>Gardner Elementary</td>
<td>91%</td>
<td>80%</td>
</tr>
<tr>
<td>Lowell Elementary</td>
<td>90%</td>
<td>84%</td>
</tr>
</tbody>
</table>

*Source: DataQuest, California Dept. of Education, [https://dq.cde.ca.gov/dataquest/](https://dq.cde.ca.gov/dataquest/)*

Yet even in a booming tech economy, these and many other schools in downtown and East San Jose that serve predominantly minority and low-income populations are severely underfunded.

A number of community members highlighted the need for Google to help support high-quality public education for students in San Jose’s lower income neighborhoods, so that all students have access to the skills, resources and supportive environments they need to prepare for success in science, engineering, technology and math (STEM) careers.72

With the prospect of rising rents and housing costs pushing future generations who are unable to obtain a higher wage jobs out of the City, some residents suggested Google should partner with San Jose’s public school districts to help students in low-income neighborhoods, like the Eastside Union High School District, be better prepared for STEM careers.73

A number of town hall participants raised the fact that Google has made commitments to education investments in other communities.74 Residents expressed hope that an eventual deal with Google could include new partnerships with helping San Jose’s public schools to succeed.75

“I am a teacher in South Bay. Many of my students have voiced they have no intention of staying in San Jose because it is too expensive. Silicon Valley seems to have a tendency to hire from outside rather than hire within the Valley.”

– Jayson C.
(survey respondent)
By providing additional resources and assistance, particularly to children of low-income working parents, many of whom have less time to take part in enrichment activities due to work commitments, Google could help to close opportunity gaps faced by San Jose’s youth.

This includes access to high quality early childhood education and child care, additional education opportunities for K-12 students to help build proficiencies in key learning areas such as reading and math, greater exposure to science and technical skills and mentorship opportunities with Google’s workforce.

Additionally, San Jose’s public schools could benefit from additional resources to help recruit and retain high-quality teachers. Like every other moderate-income occupation, it is often difficult for teachers to afford San Jose’s skyrocketing cost of living. While more can be done by the State and local communities to raise teachers’ incomes, residents raised ideas around Google providing housing assistance to teachers as a way to keep educators in San Jose.

“The programmers or engineers are not from our community. Google needs to invest in our community in order to make sure that the future programmers and engineers are from the community they are established in.”

– America G. (survey respondent)
Community demands for Google:

Google should support our local school districts in expanding high-quality educational opportunities for children throughout San Jose, with a focus on increasing access for low-income and disadvantaged children. Google should work with schools, teachers, parents and students to develop initiatives to address the following:

**Support affordable, accessible early childhood education.** Google should make commitments to provide on-site, affordable, quality early childhood education and child care for its workers and contractors, and make investments to support affordable quality early childhood education and child care options in low-income neighborhoods.

**Help provide low-income and disadvantaged children with access to quality education and enrichment outside of regular school hours.** Google should partner with local school districts to provide funding and in-kind support for afterschool programs, summer school, and/or community school models that provide students much needed support for their classroom learning, connect students with resources to help them deal with issues they face outside of the classroom, and engage students through enrichment opportunities where students are exposed to new experiences and skills.

**Support housing access for teachers and school employees, especially those working in highest-poverty schools.** To help address the growing challenges in recruiting and retaining teachers, Google should partner with school districts that are attempting to address the teacher housing shortage, and explore innovative approaches such as land transfers, revolving loan funds, pre-development financing, or financial or technical assistance to help districts develop teacher housing locally.
Mitigating traffic impacts and broadening access to transit

As is often the case with new development projects, one concern heard clearly, especially in the town hall meetings held downtown, was the potential traffic created by the project. While Google and the City of San Jose have touted the potential project as beneficial to the community because of its decision to locate near a transit hub, as opposed to the tech sector’s usually approach of building sprawling suburban campuses, a project of this size will certainly have an enormous impact on traffic. Locating near Caltrain, BART and VTA light rail stops will help to mitigate some traffic for workers who live close to these transit lines, but the sheer size of the proposed workforce could lead to thousands, if not tens of thousands, of new drivers coming into downtown San Jose every workday.

77% of survey respondents think Google has a responsibility to develop transportation solutions to deal with traffic.
According to Google, the project could include up to 20,000 directly employed workers. Analysis by the Bay Area Council suggests every tech job can lead to an additional 4.3 local jobs in service or goods producing sectors, meaning the project could potentially lead to an additional 86,000 commuters across the region.\(^77\)

Furthermore, analysis commissioned by the Bay Area’s Metropolitan Transportation Commission suggests new workers are likely to have significantly longer commutes than existing workers, spending even more time on the road. In San Jose, new drivers are likely to spend an additional 10 minutes on the road.\(^78\) But in Mountain View, where job growth has been driven by Google’s expansion, each new worker spends an average of 40 more minutes on the road than existing workers.\(^79\) That’s adding tens of thousands of additional hours on the roads each work day, adding to environmental and health impacts.

In Mountain View, Google provides shuttle bus service to a large number of its directly employed workers. These buses have been a point of contention in Bay Area communities for their use of public infrastructure, including bus shelters, and their role in adding to congestion and supporting sprawl development. According to contract service workers at their Mountain View offices, these bus services are often difficult to access for service workers.\(^80\)

Residents questioned whether Google’s project is likely to create additional parking needs for downtown businesses and the SAP Center, and potentially bring more cars seeking limited parking on residential streets. A number of the parcels Google has acquired act as parking, including for events at SAP Center.\(^81\) The addition of tens of thousands of employees downtown could add significantly to downtown parking needs.

Participants also raised concerns about congestion at key arteries and what would happen to traffic down residential streets. Some raised the example of Cupertino’s Apple Park, a development with roughly one third the commercial office space proposed in the Google project, that caused significant levels of local traffic. The City of Cupertino found that 13 nearby intersections and 10 freeway segments were impacted by Apple’s new development. Apple ultimately paid $75 million to the City for traffic improvements. Residents raised the issue of certain developments being excluded from traffic impact fees in the past.\(^82\)

“The whole place has become a giant parking lot: cars in front of homes and streets; cars on roads & freeways – it’s constant gridlock. Instead of the City Council members trying to score points with the corporations, their first priority should be to make the quality of life better for the people who they serve.”

– Shan
(survey respondent)
An additional issue raised by the community about Google acquiring land encircling Diridon Station is that the company and its workforce will have much of the most walkable paths to the transit station. Diridon Station will bring together transit lines which together will cost nearly $10 billion in taxpayer dollars. Once these new transit lines come on line, they will significantly increase the value of Google’s land acquisitions around Diridon Station.

Meanwhile regional transportation agencies including VTA have prioritized capital investments in these transit lines over providing added resource for public bus operations, which have not kept up with the needs of transit-dependent residents, especially low-income workers, youth and seniors.

Given all of the benefits Google is looking to capture from public investment in transit infrastructure, and the company’s own reliance on public bus infrastructure, a number of community members raised the idea of Google contributing to efforts to expand public bus service to Diridon Station and to subsidize public bus access to transit dependent riders.

We are planning to move out of state next year. We are no longer willing to put up with the traffic here.”

– Keri
(survey respondent)
Community demands for Google:

Traffic mitigation and mobility improvement for Diridon Area. Google should pay its full share to address necessary traffic mitigations and mobility improvements under the City of San Jose’s Local Transportation Analysis.

Develop a Transportation Demand Management plan that includes service and contracted workers. Google should develop a Transportation Demand Management plan that includes directly-employed workers, service contract workers and any employees of tenant businesses to achieve mode-shift and single occupant vehicle trip reduction goals. This plan should include:

- Access to employer sponsored transit passes (Caltrain, BART, VTA) for directly-employed and service contract workers;
- Access to employer shuttles including scheduling and location planning for both directly employed and service contract workers; and
- Inclusion of contracted service workers in mode-shift systems planning (access to Ford GoBikes, Google Bikes, or other alternative transportation).

Investing in Silicon Valley transit. Google should provide funding to expand public bus and light rail service overall including expanding service hours and frequency on specific routes that lead to Diridon Station and providing assistance to pay for free fares for youth, seniors and disabled populations.
Another important finding of the surveys and community town halls was the community’s direct interest in overseeing any community benefits deal. A majority of survey respondents said they did not trust the City government to prioritize their needs in a deal with Google.

At a number of times during the town hall process, community members expressed disappointment about the lack of formal space to share their concerns with City officials and the repeated delays of a formal community engagement process.

One of the reason community members expressed support for pursuing a Community Benefits Agreement was that it would create a legally binding agreement between community leaders and Google directly. A number of examples exist in other cities of community benefits that were supposed to be a part of development deals that never came to fruition, in part because the deals did not include effective enforcement mechanisms. Community leaders noted interest in the model of the Community Benefits Agreement won by the Revive Oakland! Coalition with developers at the Port of Oakland. The agreement created an oversight committee providing different stakeholder groups who took part in the negotiations a role in overseeing how the developer was meeting commitments laid out in the agreement.  

68% of survey respondents do not trust the City government will prioritize community needs as it negotiate with Google.

Community oversight of community benefits
Community demands for Google:

Google should negotiate a Community Benefits Agreement with members of Silicon Valley Rising with enforcement mechanisms including a community oversight committee representing San Jose community, labor, and faith leaders to oversee the implementation of the agreement, modeled after the enforcement tools in the Oakland Army Base Community Benefits Agreement.
As Silicon Valley Rising engaged residents across San Jose we heard again and again how the Google development could exacerbate gentrification, displacement, inequality and traffic. This raises serious questions about how Google’s proposed mega-campus will affect working families in San Jose.

If the company follows the technology industry’s status quo and largely ignores the impacts of its development on the community, our working families, seniors and future generations could be dealing with the negative consequences of this project for decades.

Failure to address the concerns of the community could also lead to significant public opposition, which could create complications for a project like this which needs numerous government approvals and integrates a number of public resources and supports.

On the other hand, if Google takes responsibility and partners with the community to develop a plan to address the impacts of the project and ensure the community shares in the benefits generated by Google’s growth with targeted investments and corporate and public policies, this project could become a model for how the tech industry can grow while promoting shared prosperity.

In the coming months, Silicon Valley Rising will continue to engage residents across San Jose, the City of San Jose and Google discussing the community’s growing concerns about this project and the opportunity to negotiate a community benefits agreement reaching a win-win solution to our biggest challenges: addressing homelessness and displacement, creating good jobs, giving our children greater opportunities, broadening access to transit, and providing a meaningful voice for our communities.
Endnotes


2 City of San Jose. 2017. Exclusive negotiations agreement with Google.


6 City of San Jose. 2017. Exclusive negotiations agreement with Google.

7 City of San Jose. 2017. Exclusive negotiations agreement with Google; Estimates by Silicon Valley Rising based on data on Google’s Mountain View campus use of subcontracted workers.


11 City of San Jose. 2014. Diridon Station Area Plan Final Plan report.

12 Twitter’s tax break from the City of San Jose was estimated to be worth $56 million by the Securities and Exchange Commission. Google in its own appraisal asked originally to buy land from the City of San Jose for a price per a square foot that amounts roughly to a $70 million discount from what the land was found to be worth by appraisals by the County of Santa Clara. Additionally, rezoning and land use changes, and future transit infrastructure investments will increase the value of the land by many millions of dollars more than its valued today. Temple, James. 2013. “‘Twitter tax break’ could cost SF tens of millions more after IPO”. SFGate. https://blog.sfgate.com/techchron/2013/10/27/twitter-tax-break-could-cost-sf-tens-of-millions-more-after-ipo/; County of Santa Clara. 2018. Item 51, San Jose Successor Agency Compensation Agreement. http://sccgov.iqm2.com/citizens/FileOpen.aspx?Type=1&ID=9061&Inline=True


City of San Jose. 2017. Exclusive negotiations agreement with Google for acquisition and potential development of properties owned by the City; City of San Jose. 2018. “Station Area Advisory Group, Regular Meeting Agenda, February 28th, 2018”. http://www.sanjoseca.gov/DocumentCenter/View/75194


ibid


Silicon Valley Rising conducted a non-scientific survey of 1004 San Jose residents between August 2017 and January 2018. The sample included 309 printed surveys collected from attendees at Town Hall meetings or during canvassing visits, and 235 online surveys collected over SurveyMonkey. The survey was then shortened and administered online to an additional 460 respondents over NationBuilder. Over all formats, data was excluded for respondents which included a city other than San Jose.


ibid.


33 Ibid.


35 Partnership for Working Families. “Policy & Tools: Community Benefits Agreements and Policies In Effect”.


40 Silicon Valley Rising Google project survey results. 2018.

41 Comments from Silicon Valley Rising Town Halls. 2017.

42 Silicon Valley Rising Google project survey results. 2018.

43 Ibid.

44 Ibid.


46 U.S. Census Bureau. 2017. 2012-2016 American Community Survey 5-year estimates


51 The City of Mountain View current has a $25.58 a square foot commercial linkage fee. Over 8 million square
feet, that would total nearly $205 million. City of San Jose. 2017. Update of Regional Grand Nexus Studies for Commercial Impact Fees Used to Fund Affordable Housing.


Comments from Silicon Valley Rising Town Halls. 2017.

Ibid; Silicon Valley Rising. 2016. Tech’s Invisible Workforce.


Bay Area Council. 2012.

Estimates based on internal research.

Ibid.

Silicon Valley Rising. 2016. Tech’s Invisible Workforce.

Ibid.

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Forthcoming research by Working Partnerships USA.

Ibid.

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Ibid.


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Ibid.

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Bay Area Council. 2012.

Ibid.  
Comments from Silicon Valley Rising Town Halls. 2017.  
City of San Jose. 2017. Exclusive negotiations agreement with Google for acquisition and potential development of properties owned by the City.  
Comments from Silicon Valley Rising Town Halls. 2017.  
City of Oakland. 2013. “Cooperation agreement regarding the Oakland Army Base Project” http://juliangrossconsulting.com/docs/suffolk/Oakland_Army_Base_Cooperation_Agreement.pdf
Silicon Valley Rising is a coordinated campaign driven by a powerful coalition of labor, faith leaders, community based organizations and workers that’s inspiring the tech industry to build an inclusive middle class in Silicon Valley.

The campaign is co-led by the South Bay AFL-CIO Labor Council, which represents 98 unions in Silicon Valley, and Working Partnerships USA, a community organization that drives the movement for a just economy by bringing together public policy innovation and the power of grassroots organizing.

siliconvalleyrising.org