File #: 22-15, **Version:** 1 **Item #:** A-4.

CC - (1) Approval of an Affordable Housing Internet Connectivity Program Agreement with Ting Fiber, Inc for an Amount Not-to-Exceed $247,200; and (2) Direction to the City Manager on the Location of Ting's Free WiFi Service.

Meeting Date: June 28, 2021

Contact Person/Dept: Jesse Mays, Assistant City Manager
Phone Number: City Manager's Office - (310) 253-6000

Fiscal Impact: Yes [X] No [] **General Fund:** Yes [] No [X]

Public Hearing: [] **Action Item:** [X] **Attachments:** []

Commission Action Required: Yes [] No [X] **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/23/2021); Municipal Fiber Network, Housing Authority, Housing Issues (06/22/2021)

Department Approval: John Nachbar (06/22/2021)

RECOMMENDATION

Staff recommends the City Council approve an Affordable Housing Internet Connectivity Program Agreement with Ting Fiber, Inc. for an amount not to exceed $247,200; and (2) provide direction to the City Manager on the location of Ting's free public WiFi service.

BACKGROUND

On November 9, 2020, the City Council authorized the City Manager to negotiate and execute an agreement to allow Ting Fiber, Inc. ("Ting"), to construct, own and operate a citywide fiber-optic network. The terms of the agreement were to contain certain community initiatives related to provision of low-cost gigabit internet service to affordable housing, a free wi-fi service location, and free internet service to non-profit organizations. Consistent with that direction, on January 28, 2021, the City and Ting executed a Master Encroachment Agreement that contained the following community initiatives:

Affordable Housing Internet Service: Ting and the City of Culver will work together to develop the terms of and enter an agreement for an Affordable Housing Internet Connectivity Program, that will,

among other things, establish a pilot project to provide Internet access services to residents of affordable housing at a reduced cost.

Free Public WiFi Service: Ting will work with the City to find an appropriate location to offer free, state-of-the-art, fiber-fed WiFi service that is accessible to residents and visitors outdoors.

Free Service to Non-Profits: Ting will begin a program to provide free Gigabit Internet Access Service to Culver City non-profit organizations.

DISCUSSION

Affordable Housing Internet Connectivity Program

Program Overview

Ting and Culver City seek to provide financial support to a digital inclusion initiative whereby a group of low-income residents in Culver City's designated affordable housing units will receive fiber-to-the-home (FTTH) installation and at least three years of ongoing gigabit-speed internet service for free.

Under the terms of this proposed program, Ting will provide affordable housing units with fiber internet installation, a router, and Ting's $89 marquis "Home Gigabit" internet service at no net cost to the resident. The City will support a portion of the installation costs, and during the "initial term" of three years, Ting will cover the $89 monthly cost of internet service for residents with a combination of in-kind contributions and federal and state subsidies.

Eligibility

Eligibility for the digital inclusion initiative is location-based. City staff and Ting desired an eligibility standard that can be uniformly applied across Culver City. The proposal is to use Culver City's existing database of designated low-income housing options throughout the city. Residents living in units the City has designated as "low" and "very low" income will be eligible to participate in the digital inclusion program. This also means that the customer premises equipment and program eligibility will remain linked to the property/unit over time. The router and ongoing service offered to each home will be associated with the unit rather than moving with the participant.

Estimated Unit Count

Based on a review of the city's current low-income housing database in February/March 2021, Ting and Culver City are in agreement that there are 17 properties containing designated affordable units, with 309 units qualifying for the Ting Affordable Housing Connectivity Program (those designated "low income," "very-low income," or "up-to-low income"). These units are distributed throughout the properties. See Attachment 1 for specific addresses and unit counts.

Cost-sharing breakdown

Across the 17 properties eligible for the program, Culver City will pay Ting a one-time fee of $800 per unit toward the cost of equipment and installation, while Ting will support the remainder of the build

cost and provide high-speed internet for at least three years.

For the first three years of the program, Ting will leverage whatever federal and state subsidies are available to cover a portion of the $89 monthly cost of the “Home Gigabit” product, and Ting will cover the remainder of the cost as a credit to the resident, such that no eligible unit has a net cost for Ting internet service. Ting will reinvest the majority of government subsidies recovered through this program back into our digital inclusion programming.

To ensure that the program maximizes available government funding opportunities, residents will be asked to register for federal and state subsidies, and Ting will request assistance from the City with outreach efforts to inform affordable housing residents about available programs, such as the Emergency Broadband Benefit Program.

Three years into the program, Ting will evaluate the effectiveness of this digital inclusion approach, in conjunction with the City, and will work to identify a third-party partner to pay Ting a reduced monthly rate for each of the connected units. Otherwise, the program will transition to providing low-cost service at a significantly reduced rate to these units. Either Ting or Culver City can identify the third-party to support the initiative after three years, and Ting will seek assistance from Culver City to help connect Ting to potential partners who may be interested in lending ongoing support to the initiative after the three-year mark.

Building Access Contingency

Given that many of the affordable housing units identified by Culver City are in buildings that are not fully owned, operated, and controlled by the City, Ting will need permission from the property owners to access the buildings and install the necessary equipment. Should the property owners refuse Ting’s proposal to serve the affordable housing units, Ting will work with Culver City’s Housing Administrator to assist Ting in outreach to the property owner with the intent of gaining approval. Ultimately, Ting will not be able to install fiber and provide internet service to units where property owners do not allow Ting’s entry.

Payment process

As the designated units begin to be wired, Ting will track the units lit per month and will invoice Culver City to request the one-time $800 payment toward the wiring cost of each unit.

Residents will need to register with Ting so Ting can create accounts to serve each unit and provide customer support when needed. Upon registration, Ting will send residents provisional bills for its $89 “Home Gigabit” service each month. During the initial term, the $89 will be completely covered by a combination of government broadband subsidies and Ting credits, though the balance of the two may change depending on the subsidy amount available at any given time.

Reporting requirements

In accordance with Ting’s overall Master Encroachment Agreement with the City, Ting will provide an annual update on the progress of the digital inclusion initiative, including information on program participation and usage.

Plans for program expansion

Ting will work with Culver City to identify additional low or very-low income housing units annually, and this program can be expanded to include those units with the agreement of Culver City and Ting. These additional units, upon approval of Culver City, will be incorporated into the same cost-sharing agreement, wherein Culver City pays Ting $800 per unit upfront, and Ting provides service to that unit at no net cost to the resident during the first three years of the program, thereafter identifying a third-party partner or charging the unit a discounted rate.

Program timeframe

Based on Ting's build schedule, Ting plans to begin lighting digital inclusion-eligible properties in the fall of 2021. Ting projects that single-family homes and group homes involving a single drop will be actively receiving service by December 31, 2021, while the larger MDU properties will have installations scheduled into 2022, dependent on discussions with property owners. Ting will keep Culver City updated with more specific timelines for the MDUs as Ting comes closer to receiving the property owners' approval to enter the premises.

Free Public WiFi Service Locations

Ting has agreed to provide WiFi installation and ongoing service to one location in Culver City, with a possible additional location to be added if feasible. Ting and City staff propose the first public WiFi location be the Skate Park at Culver City Park. Staff and Ting seek City Council's confirmation of this proposed location and direction on one additional public space for consideration by Ting. Other locations in addition to the Skate Park where City Council could consider installing WiFi includes the Boneyard Dog Park, Culver City Transit Center at Westfield Culver City, Lindberg Park, Culver West Park, Blanco Park, El Marino Park, or Syd Kronenthal Park.

Please Note that the City has already implemented free public WiFi indoors at Veterans Memorial Park, and the outdoor portion is expected to be completed before Fiesta La Ballona in October. Wifi has already been implemented as well at the Culver City Senior Center. Therefore, those locations are not being proposed.

Free Internet Service to 15 Culver City Nonprofit Organizations

Ting will provide free WiFi installation and ongoing service to up to 15 nonprofit organizations that serve the local community. The nonprofits are to be identified by Ting, in accordance with Ting's requirements that the nonprofits are local and nonexclusive. The list of nonprofit organizations will be made available as part of Ting's annual required reporting to the City.

FISCAL ANALYSIS

Based on the number of eligible housing units (309), and the cost per unit ($800), the Affordable Housing Internet Connectivity Program could cost up to $247,200, depending on the number of properties and units that choose to enter into the program. It is unknown at this time how much of

that expense would occur in FY2021/2022 versus a later fiscal year, as it depends on the rate of customer acceptance. The source of funds for the program would be the Municipal Fiber Fund, Fund 205, Account Number 20524500.619800. It is anticipated that there is already sufficient funding in the proposed FY2021/2022 City Budget for this program's cost during FY2021/2022.

ATTACHMENTS

1. List of Properties Containing Eligible Affordable Housing Units

MOTION

That the City Council:

1. Approve an Affordable Housing Internet Connectivity Program Agreement with Ting Fiber, Inc., as described in the staff report for an amount not-to-exceed $247,200; and

2. Authorize the City Manager to negotiate the agreement with Ting Fiber, Inc. consistent with such terms; and

3. Authorize the City Attorney to review/prepare the necessary documents; and,

4. Authorize the City Manager to execute such documents on behalf of the City; and

5. Provide direction on two locations for Ting Fiber, Inc.'s free WiFi service accessible to residents and visitors outdoors.