



Memorandum

TO: SMART CITIES AND SERVICE
IMPROVEMENTS COMMITTEE

FROM: Dolan Beckel

SUBJECT: DIGITAL INCLUSION UPDATE

DATE: October 3, 2019

Approved

Date

25 SEPT 2019

RECOMMENDATION

Approve the Digital Inclusion Partnership update.

BACKGROUND

The City of San José currently has 95,000 “un-connected” residents with no internet access at home who are unable to take advantage of the digital economy. The November 2017 Broadband and Digital Inclusion Strategy recommended the City Manager’s Office negotiate agreements with telecoms to accelerate internet access while creating a revenue stream that can be used to close the digital divide for underserved communities through digital inclusion program efforts. Digital inclusion means that residents can use technology to benefit their daily lives such as homework, career, healthcare, and other quality of life outcomes.

In May 2018, following the Mayor’s memorandum, City Council directed staff to create the Digital Inclusion Fund and return to City Council with a plan to mobilize and govern the Digital Inclusion Fund to close the digital divide in San José with pending agreements with AT&T, Verizon, and Mobilitie.

On June 26, 2018, City Council approved public-private partnership agreements with AT&T, Verizon, and Mobilitie (on behalf of Sprint) to deploy over 4,200 small cell devices on city-owned streetlights. The small cell usage fees from these agreements provide the initial revenue stream to be transferred to the Digital Inclusion Fund, estimated at \$24.1 million to be available for grants and grantee capacity building over ten years.

On February 12, 2019, City Council unanimously directed the City Manager to negotiate and execute an agreement with the California Emerging Technology Fund (CETF), a statewide non-profit leader in digital inclusion, to administer the Digital Inclusion Fund grant making program on behalf of the City of San José. The ten-year goals of the agreement with CETF are:

- **Connect 50,000 San José households** with universal device access and universal connectivity speeds of at least 25 Megabits per second download and 3 Megabits per second upload; and
- **Ensure 50,000 San José households achieve and sustain the appropriate digital skills proficiency level** (basic, intermediate, or advanced) to stay ahead of technology and **increase quality of life outcomes** (e.g. education, workforce, healthcare, and more)

Executed on May 14, 2019, the CETF agreement utilizes a three-part governance structure whereby the City Manager's Office of Civic Innovation:

- Partners with CETF to setup the grant program;
- Appoints an Advisory Board; and
- Collaborates with the Mayor's Office and City Councilmember staff to accomplish a 9-month workplan to launch the Digital Inclusion grant making program with its first round of grants by 2019.

Complete details on the City's digital inclusion journey leading up to the approval of partnering with CETF are available in the attached City Council Memorandum dated February 12, 2019 (Attachment A).

ANALYSIS

Since June 2019, the City Manager's Office of Civic Innovation, the Mayor's Office, and CETF have collaborated to launch the Digital Inclusion Partnership to:

- Learn about the unique circumstances that hinder broadband use for various San José communities through community outreach;
- Generate interest in the program with potential grantees, community partners, and other stakeholders through community outreach and engaging the Advisory Board; and
- Design and focus initial grant efforts to accomplish resident broadband connections and digital skill adoptions to work toward the goal of connecting 50,000 San José households in the next ten years.

Operations and Grant Budget

Since June 2019, digital inclusion operational and budgetary milestones include the following:

- The City paid CETF \$20,000 one-time support and \$190,000 annual payment to cover program and administrative costs;
- CETF, in partnership with the City Manager's Office of Civic Innovation and Mayor's Office, hired a Program Director to manage the San José Digital Inclusion Partnership efforts;

- The City Manager's Office of Civic Innovation hired a temporary Digital Inclusion Program Manager to support the launch of the Digital Inclusion Fund, utilizing one-time funding authorized by the City Council on February 12, 2019; and
- The City confirmed that current projected small cell usage fee revenues will support up to \$1 million to be available for the initial grants in 2020.

Advisory Board

On August 19, 2019, the City Manager appointed an Advisory Board across a variety of community stakeholders including education, non-profits, the Library Department, the Youth Commission, industry, and academia (see Attachment B). Additional board members may be appointed to ensure the Advisory Board reflects San José's digitally excluded communities. The primary responsibilities of the Advisory Board are to:

- Guide the scoping of each round of grants with CETF;
- Review grant recommendations with CETF;
- Provide grant recommendations to the City;
- Perform semi-annual reporting to the City;
- Provide annual and grant-specific funding requests and performance reporting to the City; and
- Participate in fundraising activities.

The City Manager's Office of Civic Innovation, in consultation with the City Attorney's Office is responsible for ensuring bylaws and conflict of interest forms meet the City's requirements typical for City-related bodies.

The initial Advisory Board meeting was held on August 22, 2019 and introduced the board members to the goals and vision of the San José Digital Inclusion Partnership. The second Advisory Board meeting was held on September 26, 2019 to review the grant application to focus on outcomes through learning with potential grantees.

2019 Workplan

CETF provided an interim progress report summarizing their work from May 2019 through mid-August 2019 (see Attachment C). The following summary provides upcoming deliverables to achieve the first round of grants by early 2020:

- Conduct monthly Advisory Board meetings beginning on August 22, 2019;
- Announce Digital Inclusion Grant opportunity on October 1, 2019;
- Schedule and convene three workshops for prospective grantees from October through first week of November 2019;
- Grant applications due November 15;
- Score grant applications by the end of November 2019;

- Present results and grant award recommendations to Advisory Board by mid-December 2019; and
- Submit a memorandum for the February 11, 2020 City Council meeting to approve the recommended digital inclusion grants.

EVALUATION AND FOLLOW-UP

The first round of grant applications is focused on driving broadband and digital skill adoptions in-language and in-culture through community-based organizations as trusted brokers. The scope of the grants is being finalized at the second Advisory Board meeting on September 26, 2019 after the release of this memorandum and will be verbally discussed at the October 3, 2019 Smart Cities and Service Improvements Committee meeting. Based on the launching and measuring the early outcomes of the initial grants, CETF and the Advisory Board will evaluate the Digital Inclusion Partnership in April 2020 and will submit a report to the City. The City Manager's Office of Civic Innovation will then submit an annual report to City Council in 2020 summarizing and evaluating the first year.

PUBLIC OUTREACH

As a part of CETF's ongoing community outreach to learn about how to best administer grant funds to accomplish connecting and sustaining digital skills for 50,000 households, CETF provided the following outreach as a part of the workplan:

- Evaluated hosting a community forum in interested City Council districts;
- Identified key organizations to invite to forums with City Council input;
- Investigated the best communications channels for CETF to collaborate and distribute information about the Digital Inclusion Partnership and available offers for affordable home internet service;
- Conducted a Community Forum on May 15, 2019, hosted by Councilmember Esparza;
- Conducted a presentation at the Peninsula Division of the League of California Cities on May 22, 2019;
- Conducted an engagement session with City Commissioners from various City Commissions on May 23, 2019;
- Conducted a Digital Inclusion Fundraising Roundtable event with the Mayor's Office at the Bowers Institute on June 17, 2019;
- Participated in the National Night Out event on August 6, 2019 hosted by Councilmember Khamis;
- Collaborated with the Mayor's Office and the Silicon Valley Community Foundation on September 9, 2019 for a fundraising event with potential private donors to the Digital Inclusion Fund;
- Performed outreach to several community organizations to understand adoption costs;

- Scheduled a second Community Forum for October 23, 2019 hosted by Councilmember Peralez;
- Pursued potential additional outreach with Councilmembers Davis, Foley, and Khamis;
- Briefed several key stakeholders, including the Knight Foundation, Silicon Valley Education Foundation, East Side Alliance, Joint Venture Silicon Valley, Silicon Valley Leadership Group, Age-Friendly San José, and Career Girls; and
- Prepared for a launch event in early 2020, pending City Council approval of grants.

COORDINATION

This memo was coordinated with the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This recommendation aligns with the City's Broadband and Digital Inclusion strategy approved by the City Council in November 2017.

CEQA

Not a Project, PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment, and PP17-004, Government Funding Mechanism, or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/

DOLAN BECKEL

Director, City Manager's Office of
Civic Innovation

For questions, please contact J. Guevara, Broadband Manager, City Manager' Office of Civic Innovation, at (408) 535-8123.

Attachments:

- A. Digital Inclusion Fund, City Council Memorandum, February 12, 2019
- B. San José Digital Inclusion Partnership Advisory Board List – September 2019
- C. California Emerging Technology Fund (CETF) Memorandum – Progress Report, August 15, 2019



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Dolan Beckel
Margaret McCahan

SUBJECT: DIGITAL INCLUSION FUND

DATE: January 31, 2019

Approved

Date

2/1/19

**SUBJECT: APPROVAL OF THE DONOR ADVISED GOVERNANCE STRUCTURE
PROPOSED FOR THE SAN JOSÉ DIGITAL INCLUSION FUND**

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager to negotiate and execute an agreement between the City and the California Emerging Technology Fund (CETF) to manage small cell usage fee revenue and matching fundraising revenue allocations (from the City to CETF), subject to appropriation of funds, to implement a Digital Inclusion Fund.
- (b) Adopt the following 2018-2019 Funding Sources Resolution and Appropriation Ordinance amendments in the General Fund:
 - (1) Increase the Estimate from Other Revenue by \$750,000; and
 - (2) Increase the Digital Inclusion Program appropriation to the City Manager's Office by \$750,000.

EXECUTIVE SUMMARY

The City of San José engaged Dalberg Advisors to assist in developing a plan to implement the Digital Inclusion Fund. Dalberg reviewed models across the nation (and in selected nations) and provided recommendations for prospective governance structure models, partners, outcomes, indicators, and metrics.

Through internal analysis and collaboration with external stakeholders, Dalberg Advisors and the City evaluated the options and recommended the following:

- A donor advised fund governance structure;
- The California Emerging Technology Fund being the best organization to implement and manage the Digital Inclusion Fund;
- An initial set of outcomes, indicators, and metrics; and
- An initial timeline to launch the Digital Inclusion Fund and conduct the first round of grant allocations as early as the fall of 2019.

CETF's mission alignment, clear commitment, urgency to advance digital inclusion, approach to building local capacity, expertise, lean management approach, and ability to scale immediately make them the ideal partner.

OUTCOME

Currently 95,000 San Jose residents are “un-connected” with no internet access at home. In fact, over 60% of low-income families in San Jose don't have broadband access at home, disproportionately affecting the Latino population with over 35% of Hispanic households lacking access. Even more are “under-connected” struggling with having quality, high-speed internet, which is defined as having 25 Mbps of upload/3 Mbps of download speed or better. Beyond having a reliable connection, the programming to come out of this Digital Inclusion Fund will ensure that residents have access to appropriate devices, whether for homework, career opportunities, healthcare, or other quality of life outcomes and access to digital literacy programs.

Approval of this recommendation sets bold and achievable digital inclusion goals which will firmly establish San Jose as a national leader in ensuring that technology's opportunities empower all residents and communities – especially those who are historically under-represented or underserved:

- **Connect 50,000 San José households** with universal device access and universal connectivity at speeds of at least 25 Mbps upload/3 Mbps download over the next 10 years;
- **Ensure 50,000 San José households achieve and sustain the appropriate digital skills proficiency level** (basic, intermediate, or advanced) to stay ahead of technology and **increase quality of life outcomes** (education, workforce, healthcare and more).

The 50,000 household adoption outcome is based on CETF experience and adoption benchmarks that have been recognized by the California Public Utilities Commission (CPUC) and the Federal Communications Commission (FCC).

Robust measurement will be critical for the success of the digital inclusion fund. An initial draft of the three **direct service outcomes** with associated indicators and metrics are highlighted below.

Long-term outcomes	Indicators (long term objectives)	Metrics (key performance indicators)
<i>Universal connectivity</i>	<ul style="list-style-type: none"> • Lower priced service plans • Low-cost options for mobile populations / households with multiple families • Stronger relationships with providers/Improved ability to be self-advocates when working with providers (“self-efficacy”) • Increased awareness of low-cost options and benefits of connectivity • Change in willingness to pay for digital services (pre/post outreach/awareness events) 	<ul style="list-style-type: none"> • Number of outreach events held /number of people who sign up • Number of door-to-door outreach campaigns and people spoken with • Number of information sessions held with low-income residents
<i>Universal device access</i>	<ul style="list-style-type: none"> • Number of families buying / receiving donations of devices • Improvement in self-reported outcomes (household level) • Awareness of low-cost device / free options for low-income families (pre / post intervention) • Number/diversity of access points for residents to acquire devices 	<ul style="list-style-type: none"> • Number of devices donated, refurbished, and distributed • Change in number of people with access to devices
<i>Adoption</i>	<ul style="list-style-type: none"> • Improved academic performance, attendance, and post-secondary outcomes • Improved awareness of and ability to navigate career application sites, and improved access to career development tools • Improved communication with healthcare providers + increased access to health services • Increased ability to independently use Internet + devices for communication with friends and family • Number of people who are hired for jobs with living wages from digital inclusion trainings • Self-reported increases in health • Increases in feelings of community for senior citizens 	<ul style="list-style-type: none"> • Number of families using Internet + devices for completing homework, pursuing career opportunities, accessing telehealth and managing health needs, and connecting to friends and family • Number of students accepted to 2- or 4-year post-secondary institutions • Number of job applications submitted / number of jobs secured • Average increase in household salary over specified timeframe • Decrease in self-reports of social isolation and loneliness /

	<ul style="list-style-type: none"> Increases in academic performance for students 	<p>increase in self-reports of well-being and social connectedness</p> <ul style="list-style-type: none"> Number of users who have reached different steps on the digital ladder Total number of train-the-trainer program participants and trainers Number of basic / advanced skills trainings / learning circles Number of topic specific skills trainings (e.g., health, education, employment, etc.)
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In addition to direct service outcomes, ecosystem impact will be key to measuring the programs and ensuring their sustainability. An initial draft of the three **ecosystem impact outcomes** with associated indicators and metrics are highlighted below:

Long-term outcomes	Indicators (long term objectives)	Metrics (key performance indicators)
<i>Robust data and learning ecosystem</i>	<ul style="list-style-type: none"> Data capture and aggregation across the digital inclusion ecosystem for key metrics Number of Community Based Organizations/nonprofits adopting best practices Increased commitment to evaluation across digital inclusion actors 	<ul style="list-style-type: none"> Presence of open and transparent online data sharing portals Baseline data collected for all programs Number of new pilots and innovative approaches tested Number of articles/events sharing best practices

<i>Increased funding and attention to reducing the digital divide</i>	<ul style="list-style-type: none"> • Total dollars disbursed to digital inclusion in San José • Number of new orgs conducting digital inclusion programs • Number of long-term commitments (5+ years) from funders to digital inclusion work 	<ul style="list-style-type: none"> • Total dollars disbursed to digital inclusion in San José • Number of new orgs conducting digital inclusion programs • Number of long-term commitments (5+ years) from funders to digital inclusion work
<i>Coordinated ecosystem of providers</i>	<ul style="list-style-type: none"> • Degree of representation across diverse digital inclusion stakeholders • Lack of duplicity among digital inclusion programs • Number of joint-programs run by two or more actors 	<ul style="list-style-type: none"> • Degree of representation across diverse digital inclusion stakeholders • Lack of duplicity among digital inclusion programs • Comprehensive and targeted programming across all digital inclusion dimensions

Further elaboration of outcomes, indicators, metrics and definition of target measures will be done within 90 days after the agreement has been negotiated and signed.

Additional outcomes achieved through approval of this recommendation are:

Council Direction

- **Fulfill May 2018 Council Direction** to create a Digital Inclusion Fund and return to Council with a plan to mobilize and govern this Digital Inclusion Fund to close the digital divide in San José.

Digital Inclusion Fund Governance

- **Build local capacity** and enable expansion of local successful digital inclusion programs, in-language and in-culture, through allocation of grants from the Digital Inclusion Fund.
- **Solidify San José's position as a national leader in broadband policy**, through the building of mutual interest partnerships with the telecommunications providers by committing City small cell usage fee revenue to speeding broadband deployment, achieving predictable permitting, and increasing digital inclusion.
- **Optimize City funding** to maximize local digital inclusion outcomes by leveraging CETF's existing capabilities and their 10-year track record of reducing the digital divide in California through innovative, local, and metrics-driven programs and leveraging additional philanthropic funding estimated at \$10 million through CETF;

- **Promote innovation** while retaining local control and presence through creation of a cross-stakeholder Advisory Board to advise and oversee the use of funds, programming, and fundraising activities to best leverage the expertise of CETF to close the digital divide in San Jose. This donor advised governance model will allow for greater impact, innovation, and oversight by the City and City Council through the Advisory Board.

BACKGROUND

San José's Digital Inclusion Journey

San José aspires to be the city where technology's opportunities empower all residents and communities – especially those who are historically under-represented or underserved. An intentional focus on digital inclusion and equity, supported by a sustainable funding stream, forges a path for realizing these aspirations.

The City's digital inclusion journey began after the realization in 2016 that San José lagged peer cities in working to create an enabling environment for all residents to benefit from the opportunities of an increasingly digital economy.

There exists no dedicated source of public or philanthropic funding to promote digital inclusion and equity in San José. Instead, entrepreneurial teachers, nonprofits, and librarians deploy solutions to alleviate the problem through "Go Fund Me" campaigns, coding camps dependent on ad hoc funding, and limited "hot spots" and device distribution. Overall, few programs exist to provide baseline connectivity at home to school children to do their homework. Despite their best efforts, the digital divide remains wide. Currently 95,000 San Jose residents are "un-connected" with no internet access at home. Even more are "under-connected" struggling with having quality internet and an appropriate device for homework, career, healthcare and other quality of life outcomes.

The desire to continue evolving intentional approaches that allow the City to promote digital inclusion and equity led to a series of actions that culminated in the concept of creating a Digital Inclusion Fund.

San José's Broadband and Digital Inclusion Timeline

Council Approves Inclusive Smart City Vision

- April 16, 2016 - The Council unanimously approves the Smart City Vision setting the goal of San José becoming the nation's most innovative city by 2020 and prioritizing digital inclusion as one of the top 5 pillars of the Smart City Vision.

Council Approves Broadband and Digital Inclusion Strategy

- November 13, 2017 – The Council unanimously approves the Broadband and Digital Inclusion strategy recommendations to promote economic development, digital inclusion, and support for Smart Cities and Internet of Things by negotiating an exchange of value with the telecoms to accelerate broadband internet access while simultaneously closing

the digital divide for underserved communities. Policy, infrastructure, funding, and staffing recommendations include creation of a broadband team within the City Manager's Office to execute and realize the Strategy and the Smart City Vision.

Council Directs Creation of Digital Inclusion Fund

- May 1, 2018 – The Council approves the first value exchange agreement with AT&T for a limited small cell deployment and directs the City Manager to allocate small cell usage fee revenue to create a Digital Inclusion Fund that serves two purposes:
 - (1) **“Broadband Operations”** - Funds Broadband Infrastructure and Solutions Deployment Oversight Capacity, Process Improvements, Permitting Capacity
 - (2) **“Close Digital Divide”** - Funds efforts to close the digital divide, including building and operating community networks, distributing devices, and investing in digital literacy and skills through programs.

The Council also directs the City Manager's Office to return with a plan to mobilize and govern this digital inclusion fund to close the digital divide in San José.

Council Approves AT&T, Verizon, and Mobility (Sprint) Small Cell Agreements

- June 26, 2018 – The Council unanimously approves the largest fiber and small cell deployment in the nation generating an estimated \$500 million in private sector investment and \$24.1 million in revenue for the Digital Inclusion Fund over 10 years.

Council Approves Acceptance of Facebook Gift

- December 2017 - The Council unanimously approves acceptance of a \$1,000,000 gift from Facebook to support a combination of educational, workforce, and digital inclusion initiatives. The digital inclusion initiatives include (1) funding of an independent recommendation for governance and execution of the Digital Inclusion Fund and (2) seed funding of \$300,000 for digital inclusion programs supported by the Digital Inclusion Fund.

City Manager's Office Selects Dalberg for Digital Inclusion Fund Evaluation

- August 2, 2018 – Dalberg Advisors is selected as the leading bidder in a competitive request for proposal to recommend a governance structure for the Digital Inclusion Fund.

Smart City Committee Approves Donor Advised Fund Model

- September 6, 2018 – The Smart City and Service Improvements Committee approves the report which recommends an external donor advised fund to govern the Digital Inclusion Fund and administer grants for digital inclusion programs. A donor advised fund is an external organization separate from the City which is advised by a board with significant City and cross stakeholder representation. The organization selected would manage and operate the donor advised fund.

The City and Dalberg Recommend California Emerging Technology Fund

- December 2018 – Dalberg Advisors identifies several potential candidate organization options to manage and operate the donor advised fund. The City and Dalberg jointly evaluate these options and jointly agree that no candidate other than the California Emerging Technology Fund (CETF) meet the evaluation criteria including alignment of mutual interests in closing the digital divide in San José.
- December 2018 - the City of San Jose and CETF agree to commence negotiations for an agreement for the CETF to govern a donor advised fund.

ANALYSIS

Executive Summary

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- A donor advised fund governance structure;
- The California Emerging Technology Fund being the best organization to implement and manage the Digital Inclusion Fund Digital;
- An initial set of outcomes, indicators, and metrics; and
- An initial timeline to launch the Digital Inclusion Fund and conduct the first round of grant allocations in the fall of 2019.

CETF's mission alignment, clear commitment, urgency to advance digital inclusion, approach to building local capacity, expertise, lean management approach, and ability to scale immediately make them the ideal partner.

Why partner with CETF?

The California Emerging Technology Fund (CETF) is a statewide non-profit organization with the assigned mission to close the Digital Divide in California by accelerating the deployment and adoption of broadband and other advanced communications services to unserved or underserved communities. CETF was founded as a public benefit from the mergers of SBC-AT&T and Verizon-MCI approved by the California Public Utilities Commission (CPUC) in 2005. AT&T and Verizon contributed a total of \$60 million in Seed Capital to establish CETF. CETF is required by state law to report annually to the California Legislature through the CPUC.

CETF is a unique organization in the nation—no other state has such a non-profit with a primary mission to close the Digital Divide by addressing the challenges of both “supply” and “demand” to increase the use of technologies enabled by ubiquitous high-speed Internet access. As

originally envisioned by the CPUC, CETF has been a vital catalyst for bringing together diverse stakeholders—from elected officials and policymakers, to regional and local civic leaders, to community-based organizations (CBOs) and broadband providers—to collectively address the challenges associated with the many facets of the Digital Divide.

As such CETF is a unique service distributed exclusively by CETF. There is no other nonprofit or CBO that provides this type of service in the San Jose, in the State of California, or in the Nation.

CETF works with local stakeholders and CBOs as the “trusted messengers and honest brokers” to target the most disadvantaged neighborhoods and communities to get un-connected and under-connected households online with meaningful use of technology. This approach builds local capacity for the future.

Relevant CETF Programs and Success Stories

- In the last decade CETF has managed \$58 million in grants to community-based organizations (CBOs) and public agencies achieving aggressive statewide goals of 98% deployment of broadband infrastructure and 87% adoption.
- CETF leads and manages a statewide initiative to transform low-performing middle schools called School2Home that improves student academic performance.
 - \$250,000 to implement School2Home at 2 middle schools (Fischer Middle School in Alum Rock School District and Bridges Academy in Franklin-McKinley School District) in partnership with the Mayor’s Office, Silicon Valley Education Foundation, and East Side Alliance. Regional non-profit Tech Exchange is the program manager for School2Home and is collaborating with the San José Library to conduct Community Tech Fairs.
- CETF has further invested in local and regional programs to support the goals of San José including:
 - \$975,000 in grants to Latino Community Foundation and Chicana Latina Foundation to reach out to CBOs in the Bay Area Region, including Sacred Heart Community Center, Somos Mayfair, SIREN, Santa Clara County Office of Education Head Start Program, and Mi Pueblo to provide digital literacy training and assistance with broadband adoption.
 - \$750,000 to El Concilio of San Mateo County to deploy Wi-Fi in East Palo Alto.
- CETF is involved statewide in policy and regulatory arenas that complement and augment the work of San José and will provide opportunities to spotlight and advance the City’s leadership for Digital Inclusion. For example, CETF sponsored the Internet For All Now Act of 2017 which established the new Adoption Account in the California Advanced Services Fund (CASF) administered by the CPUC which may be a resource to leverage the Digital Inclusion Fund.
- CETF partnered with the University of Santa Clara Broadband Institute to publish a comprehensive report on government-led wireless networks that can provide additional expertise to the City.
- CETF has funded many CBO activities to reach seniors throughout California including:

- Chicano Latino Foundation serves seniors in low-income communities on the Peninsula in San Mateo County. With the CETF grant they provided digital literacy training, affordable computers and help to seniors who wanted to subscribe to affordable broadband offers.
- Community Centers Inc. serves primarily seniors in low-income communities in the South Bay Area of Los Angeles County. With the CETF grant they provided digital literacy training and help to seniors who wanted to subscribe to affordable broadband offers.
- Little Tokyo Service Center serves primarily Japanese seniors in low-income communities in downtown Los Angeles County. With the CETF grant they provided digital literacy training and help to seniors who wanted to subscribe to affordable broadband offers.
- Salvation Army serves a diverse group of seniors in low-income communities in the McArthur Park area of Los Angeles County. With the CETF grant they provided digital literacy training and help to seniors who wanted to subscribe to affordable broadband offers.

The experience of all of these CBOs in reaching seniors regarding Digital Inclusion is that they first have to overcome fears of using technology (of course, in-language and in-culture), and then they have to reassure the seniors about Internet safety (and teach them during the course of the digital literacy training). Seniors also need to be supported in interacting with ISPs.

Alignment of San José and CETF Mutual Interests

- San José's interests in an external digital inclusion program execution partner include:
 - Expertise in achieving population level social justice in general and closing the digital divide in particular;
 - Existing and lean external organization to manage the Digital Inclusion Fund;
 - Expertise in managing large funds, with low administrative costs;
 - Expertise in raising additional funds; and,
 - Local presence.
- CETF interests in partnering with the City of San José include:
 - Continuing CETF's mission to close the digital divide and expand digital inclusion in California;
 - Expanding their presence in Northern California;
 - Significantly growing their local presence in San José; and,
 - Accessing the leadership of the City of San José and the surrounding technology and innovation network within the Capital of Silicon Valley

These mutual interests made CETF the ideal choice for a partner. CETF has the capacity and record of accomplishment that aligns with San José's goals, approaches, and outcomes. Through CETF, the City can leverage CETF's established grant making and fundraising infrastructure and expertise. Moreover, the City can expedite this initiation while limiting the overhead by working with a lean non-profit. CETF is solely focused on digital inclusion by building local capacity done in-language and in-culture by trusted messengers and honest brokers as local CBO

grantees. No other prospective partners have this combination of breadth and depth in the digital inclusion space. Therefore, no request for proposal was conducted and it is recommended that CETF be selected to manage implementation of the Digital Inclusion Fund.

Household Adoption Goal

The 50,000 Household (HH) Adoption Goal was set using data from the American Community Survey 2017 (ACS) which shows of the 319,558 HHs in San Jose: 11.0% (35,171 HHs) have no access to Internet at home (the Un-connected); 19.2% (61,282 HHs) lack high-speed Internet access (the Under-connected); and 12.1% (38,550) HHs do not have a computer (other than a smartphone) at home. These data show that 30% of San Jose residents (about 96,000 HHs) are Digitally Disadvantaged (Un-connected and Under-connected).

However, given that: (1) there is significant “churn” and instability among the Digitally Disadvantaged which has been documented through surveys and focus groups; and (2) the outcome goal for the Digital Inclusion Fund includes ensuring that 50,000 HHs achieve and sustain appropriate digital skills proficiency (education, workforce, healthcare), it is essential to work also with the Under connected. It should be kept in mind that Un-connected individuals often are part of a Digitally Disadvantaged HH and the standard outcomes metric for broadband adoption is HHs.

Thus, 50,000 HHs is an appropriate Adoption Goal for connectivity and meaningful use of technology.

A cost per HH adoption of \$250 plus 10% administration for a total of \$275 is now a fairly recognized benchmark for projecting needed resources. It is generally referenced now in CPUC proceedings and policy discussions with elected officials. It comes from CETF documented data submitted to the CPUC and FCC based on the 10 years of experience in grant making with more than 100 CBOs throughout California.

The total cost for 50,000 HH is \$13,750,000. Having at least \$20 million in the Digital Inclusion Fund also provides additional resources to foster expansion of digital literacy programs.

Long Term Outcomes, Indicators, and Metrics

The Digital Inclusion Fund is directly accountable for metrics; indicators and outcomes are the result of digital inclusion metrics and other factors outside the City’s purview. Robust measurement will be critical for success.

As the Education and Digital Literacy lead for the City, the Library Department will be a member of the Advisory Board and will provide guidance for the education and digital literacy metrics and educational outcomes to further define key results for which the CBOs will be held accountable for their performance and grant payments.

An initial draft of the three **direct service outcomes** with associated indicators and metrics are highlighted below.

Long-term outcomes	Indicators (long term objectives)	Metrics (key performance indicators)
<i>Universal device access</i>	<ul style="list-style-type: none"> • Number of families buying / receiving donations of devices • Improvement in self-reported outcomes (household level) • Awareness of low-cost device / free options for low-income families (pre / post intervention) • Number/diversity of access points for residents to acquire devices 	<ul style="list-style-type: none"> • Number of devices donated, refurbished, and distributed • Change in number of people with access to devices
<i>Universal connectivity</i>	<ul style="list-style-type: none"> • Lower priced service plans • Low-cost options for mobile populations / households with multiple families • Increased trust in providers • Increased awareness of low-cost options and benefits of connectivity • Change in willingness to pay for digital services (pre/post outreach/awareness events) 	<ul style="list-style-type: none"> • Number of outreach events held /number of people who sign up • Number of door-to-door outreach campaigns and people spoken with • Number of information sessions held with low-income residents
<i>Adoption</i>	<ul style="list-style-type: none"> • Improved academic performance, attendance, and post-secondary outcomes • Improved awareness of and ability to navigate career application sites, and improved access to career development tools • Improved communication with healthcare providers + increased access to health services • Increased ability to independently use Internet + devices for communication with friends and family • Number of people who are hired for jobs with living wages from digital inclusion trainings • Self-reported increases in health • Increases in feelings of community for senior citizens • Increases in academic performance for students 	<ul style="list-style-type: none"> • Number of families using Internet + devices for completing homework, pursuing career opportunities, accessing telehealth and managing health needs, and connecting to friends and family • Number of students accepted to 2- or 4-year post-secondary institutions • Number of job applications submitted / number of jobs secured • Average increase in household salary over specified timeframe • Decrease in self-reports of social isolation and loneliness / increase in self-reports of well-

		being and social connectedness <ul style="list-style-type: none"> • Number of users who have reached different steps on the digital ladder • Total number of train-the-trainer program participants and trainers • Number of basic / advanced skills trainings / learning circles • Number of topic specific skills trainings (e.g., health, education, employment, etc.)
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In addition to direct service outcomes, ecosystem impact will be key to measuring the programs and ensuring their sustainability. An initial draft of the three **ecosystem impact outcomes** with associated indicators and metrics are highlighted below:

Long-term outcomes	Indicators (long term objectives)	Metrics (key performance indicators)
<i>Robust data and learning ecosystem</i>	<ul style="list-style-type: none"> • Data capture and aggregation across the digital inclusion ecosystem for key metrics • Number of Community Based Organizations/nonprofits adopting best practices • Increased commitment to evaluation across digital inclusion actors 	<ul style="list-style-type: none"> • Presence of open and transparent online data sharing portals • Baseline data collected for all programs • Number of new pilots and innovative approaches tested • Number of articles/events sharing best practices

<i>Increased funding and attention to reducing the digital divide</i>	<ul style="list-style-type: none"> • Total dollars disbursed to digital inclusion in San José • Number of new orgs conducting digital inclusion programs • Number of long-term commitments (5+ years) from funders to digital inclusion work 	<ul style="list-style-type: none"> • Total dollars disbursed to digital inclusion in San José • Number of new orgs conducting digital inclusion programs • Number of long-term commitments (5+ years) from funders to digital inclusion work
<i>Coordinated ecosystem of providers</i>	<ul style="list-style-type: none"> • Degree of representation across diverse digital inclusion stakeholders • Lack of duplicity among digital inclusion programs • Number of joint-programs run by two or more actors 	<ul style="list-style-type: none"> • Degree of representation across diverse digital inclusion stakeholders • Lack of duplicity among digital inclusion programs

Further elaboration of outcomes, indicators, metrics and definition of target measures will be done approximately 90 days after the agreement has been negotiated and signed and the CETF Local Programs and Grants Manager has been hired.

Example Programs

Upon execution of the proposed agreement with CETF, the City and CETF will leverage the Dalberg Report in collaboration with other stakeholders to develop local, customized digital inclusion program areas for San José. Through allocation of grants, CETF will build local capacity, **in-language and in-culture**, by the trusted and honest CBO brokers in the community to deliver successful programs tailored to CBOs' expertise and strengths.

Dalberg and the City have defined 5 categories of program clusters and examples of programs including

1. Access Programs:
 - a. Library connectivity programs;
 - b. Low cost and high capacity offerings for multiple family households in collaboration with telcos;
 - c. School2Home program expansion for San José elementary and middle schools to institutionalize workforce development;
 - d. Workshops to review various subscription options; and,
 - e. Community Wi-Fi program expansion (e.g., ESUHSD WIFI – can we put in some stats?)
2. Device Programs:
 - a. Expand library device check-out pilot; and,
 - b. Tech Community device donation and refurbishment programs;

3. Awareness Campaign Programs:
 - a. Sign-up days;
 - b. City of San José bill inserts; and
 - c. Leveraging libraries and community centers for direct outreach and education.
4. Digital Literacy Skills Building:
 - a. Expand existing library digital skills programs, including programs like the Coding 5K Challenge;
 - b. Senior mobility, technical support, and ease of use programs;
 - c. Parental and child safety concern programs;
 - d. Navigating the internet for ways to improve people's lives to establish meaningful use such as coordinating with Santa Clara County and recipients of Supplemental Nutrition Assistance Program (SNAP); and
 - e. Health Care Education coordination, applications, and other health information.
5. Innovation Pilots:
 - a. Matching fund programs for tech companies known for innovation and operating in San José.

Benefits of External Organization Model

Dalberg Advisors considered a City-led model during the research phase. While local government holds considerable influence and can leverage different assets, Dalberg Advisors identified the following challenges with the City solely leading digital inclusion:

- Focus on digital inclusion can be challenging as the City confronts changing priorities;
- Innovation is maximized when City programs and Community Based Organizations can compete for grants;
- Certain demographics do not trust local government to act in their best interests whereas they do trust Community Based Organizations;
- City-led model tends to be less agile and requires intensive procurement processes; and
- An external, third party maximizes transparency and minimizes the perception of the City 'privileging' City-led programs.

The external organization model will rely upon the City to remain engaged and provides the following benefits:

- Reduce suspicion and allow for trust-building with a non-governmental organization leading this effort;
- Focus on digital inclusion is maximized as the singular focus of an outside organization;
- Provide greater flexibility to manage the funds over a ten-year period; and,
- City retains oversight but does not hold direct responsibility for outcomes that motivate an external organization to perform and innovate.
- Leveraged funding.

Governance Structure

The key components of the governance structure, shown in Exhibit 1, are:

- An Advisory Board consisting of a broad group of digital inclusion stakeholders assigned by the City Manager;
- The Implementation Partner, CETF which has a fiduciary relationship to the City; and
- The Office of Civic Innovation within the City Manager's Office.

The primary responsibilities of the Advisory Board are to:

- Guide the scoping of each round of grant with CETF;
- Review grant recommendations with CETF;
- Provide grant recommendations to the City;
- Perform semi-annual reporting to the City;
- Provide annual and grant-specific funding requests and performance reporting to the City; and
- Participate in funding raising activities.

The primary responsibilities of the implementation partner, CETF, are

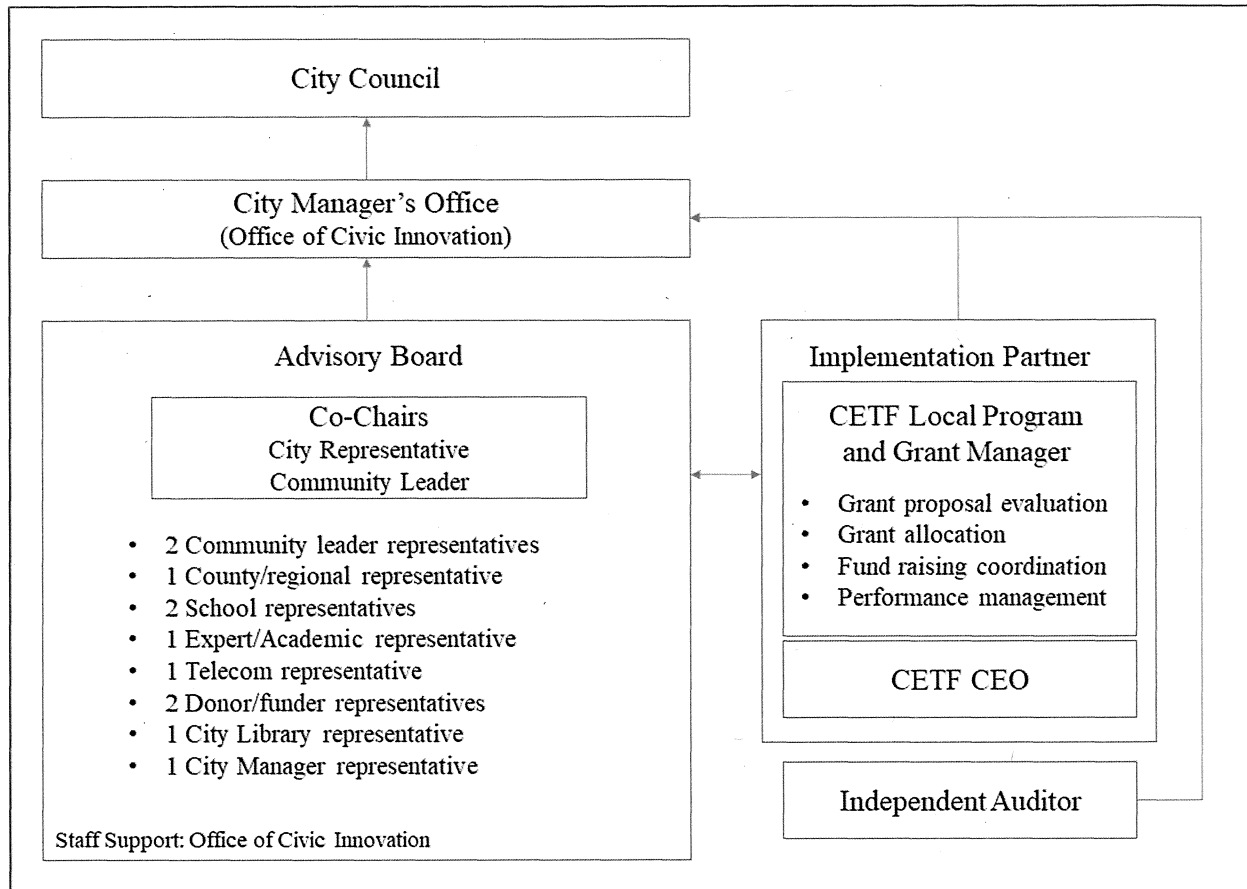
- Receive grant scope guidance from the Advisory Board;
- Receive annual and grant specific funding from the City;
- Solicit, evaluate, award, and manage each round of grants;
- Build capacity within grantees to sustain programs;
- Measure performance; and
- Co-own funding raising activities.

The primary responsibilities of the Office of Civic Innovation within the City Manager's Office are:

- Manage the fiduciary relationship with CETF;
- Bring forth performance reports, annual funding requests, and round specific funding request recommendations to the City Council;
- Staff the Advisory Board; and
- Manage incoming small cell usage fee revenue and fund-raising revenue in coordination with the City's Budget Office, Public Works Department, and fund raising channels.

The need for an independent auditor will be evaluated and, if necessary, implemented prior to the award of the first round of grants.

Exhibit 1: Governance Structure and Advisory Board Members



The medium-term timeline and key tasks to create a sound foundation, deliver meaningful achievement, and sustain and scale are shown in Exhibit 2.

Exhibit 2: Timeline

2019 Sound Foundation (~1 Year)	2021 Meaningful Achievement (~3 Year)	2023 Sustain and Scale (~5 Years)
<ul style="list-style-type: none"> • Create the official agreement with CETF • Hire local program manager/director • Create the advisory board • Evaluate cost/benefit for an independent Learning and Evaluation partner and begin to design evaluations for programs • Further define and elaborate on outcomes, indicators and metrics – 3 months • Develop a fund raising plan 3-6 months • Brand, Announce and Launch – 3 months • Conduct three fund raising events • Community Awareness Outreach and Fact Finding – 3 months • Request for Proposals and Award of Grants (Round #1) – 3 months • Build high-potential partnerships and secure financial / in-kind commitments from the private sector by December 2019 	<ul style="list-style-type: none"> • Have an existing grantee / program portfolio using innovative financing mechanisms • Use lessons learned from preliminary programs to iterate on next round of programming • Provide Grant Round #2 • Experience an increase in digital engagement from highest need residents (measured by device and service plan access) • Crowd-in significant additional funding and attention for digital inclusion programs; Target an incremental \$10M in funding by 2021 	<ul style="list-style-type: none"> • Achieve significant increases in connectivity and device access across highest need residents • Provide Grant Round #3 • Create a long-term scale up strategy to increase the impact of programs and increase the financial sustainability of the fund • Build long-term partnerships with private sector players • Garner national attention to the fund with San José seen as the national leader

Summary Financials

The Digital Inclusion Fund was intended to fund two different functions: the Broadband team and related process improvements expenditures as well as the effort to close the digital divide through partnering with CBOs known as the Digital Inclusion Fund. The table below maps out the anticipated revenues and expenditures for both the Broadband team the Digital Inclusion Fund.

Exhibit 3: Digital Inclusion Fund 10-Year Financial Summary

Estimated Revenue	Amount
Small Cell Usage Fee Revenue	\$21,000,000
Verizon Contributions	\$1,000,000
Estimated Fundraising co-owned by CETF and City	\$10,000,000
Total Digital Inclusion Fund Revenue	\$32,000,000

Estimated Operating Expenses	Amount
Broadband Infrastructure and Solutions Deployment Oversight Capacity, Process Improvements, Permitting Capacity	(\$6,000,000)
CETF Local Programs and Grants Manager and One-Time Start-Up Costs	(\$1,920,000)
Total Digital Inclusion Fund Operating Expenses	\$7,920,000
<u>Total Available for Grants</u>	<u>\$24,080,000</u>
Estimated Funds Transfer from City TO CETF	
Digital Inclusion Fund Revenue	\$32,000,000
City Broadband Operations and Other City Staff Support	(\$6,000,000)
<u>Total Funds Transfer from City to CETF</u>	<u>\$26,000,000</u>

Funding Considerations

- The Digital Inclusion Fund is anticipated to receive an estimated \$32,000,000 over ten years in revenue from current small cell usage fee commitments and fund raising.
- The fundraising estimate of \$10,000,000 is based on CETF experience in leveraging their seed funding and in fundraising at the State level.
- Actual small cell usage fee revenue may be higher as new small cell contracts are signed with interested parties like T-Mobile and ExteNet Systems.
- Due to an FCC ruling that is currently being challenged in federal court cell, small cell usage fee revenue may be lower if the City is challenged in court by telecom companies.
- The City expenses for Broadband Infrastructure and Solutions Deployment Oversight Capacity, Process Improvements, Permitting Capacity and other City staff support is estimated at \$6.0 million over ten years.
- The funds support a CETF Local Programs and Grants Manager FTE estimated at \$1,920,000 over ten years.
- Total funds transferred from the City to CETF are estimated at \$26.0 million.
- Of the funds transferred from the City to CETF, an estimated \$24.1 million will be available for grants and grantee capacity building.
- The City will only transfer funds that have been received by the City.
- The City will transfer funds to the CETF on two cycles:
 - Annual basis - annually to support Local Programs and Grants Manager

- Grant basis - as requested by the Advisory Board through the City Manager's Office to support a specific grant round
- The fiscal year 2019-2020 budget, estimated at \$1,425,000, consists of a \$1,000,000 round one grant, \$190,000 for the CETF Local Programs and Grants Manager, CETF \$20,000 one-time support investment, and remaining \$215,000 budget available for the support costs for a potential independent auditor, one-time Library Funding for performance measurement, and other City staff support not previously accounted for to complete the first-year tasks shown in Exhibit 2.
- The City will only transfer funds that have been received by the City. The available City funds grow as small cell revenue is received. Yearly small cell revenue reaches critical mass in July 2021 allowing two years to assess performance, small cell adoption, and legislation impact before committing significant ongoing annual funds.
- Digital Inclusion Funds may only be allocated to Broadband and CETF expenses and grant making unless otherwise directed by City Council.
- There will be a major "5-Year Journey" performance review to determine the desire to continue the program for another 5 years.
- The agreement may be terminated upon 90 written notice by the City. All unused funds will be returned to the City less any reasonable ramp-down costs.
- Leverage of CETF's independent auditor is being evaluated.

Fund Raising Considerations

- CETF and the City will co-own fund-raising activities.
- The Mayor's Office of Technology and Innovation will take the lead on behalf of the City for fund raising activities.
- During the first year, three major fund-raising events will take place to capitalize on the public launch of the Digital Inclusion Fund. As such the majority of the estimated \$10,000,000 in matching fund-raising revenue will be front loaded in the first 12-18 months.

Grant Making Considerations

- The first \$1,000,000 grant making process (Round 1) is targeted for the fall of 2019 based on current permitting and cash flow estimates.
- Each grant round is 9 months long:
 - 3 months: Announcement and Launch of Digital Inclusion Initiative
 - 3 months: Community Awareness Outreach and Fact Finding; and
 - 3 months: Request for Proposals and Award of Grants

EVALUATION AND FOLLOW-UP

Robust measurement and reporting of the direct service outcomes and ecosystem outcomes is critical. Dalberg Advisors has identified an initial set of indicators and metrics for the key long-

term outcomes which will guide the work between the City and CETF upon execution of the proposed agreement.

The following evaluation and follow-up schedule is recommended:

- Each grantee reports on quarterly or monthly basis, as deemed appropriate, for each individual grant;
- A major journey update during the 5th year on the digital inclusion outcomes at the population level and desire to continue the program;
- Advisory Board meets monthly moving to quarterly as appropriate;
- Semiannual reporting on program outcome measures, partnership strength, and fund health is reported; and
- The City Manager's Office provides the City Council an annual report on program outcomes measures, partnership strength, and fund health with the annual funding recommendation.

PUBLIC OUTREACH

Significant public outreach was performed:

- During the broadband and digital inclusion strategy, when over 60 organizations and individuals were interviewed about digital inclusion barriers, existing programs, and possible solutions. Outreach insights may be found in the Broadband and Digital Inclusion Strategy Report. (A link to the strategy report may be found at the end of this memo.)
- During the digital inclusion surveys when over 650 low income families with school children were extensively surveyed on the digital divide. Survey results and insights may be found in the Digital Inclusion Street Survey Report. A link to the Digital Inclusion Street Survey Report is included at the end of this memo.
- During the resident research phase Dalberg Advisors conducted over 70 interviews across diverse neighborhoods and organizations across the City including Alum Rock, Mayfair, Little Saigon, Downtown San José, Willow Glen, and South San José. Eight composite archetypes of residents were created using human-centered design principles and are in the appendix section of Dalberg Advisor's final report. A link to Dalberg Advisors' final report is included at the end of this memo
- During the ecosystem research phase, Dalberg Advisors interviewed over 30 individuals across the digital inclusion ecosystem including CBOs, industry, schools, potential partners, and several City departments. The full list is included in the Background and Objectives Section of Dalberg Advisor's final report. A link to Dalberg Advisors' final report is included at the end of this memo.

Significant additional public outreach will be performed:

- During the initial mobilization phase;
- During the fundraising phases;
- During each grant round when CETF will conduct extensive town halls to communicate the objectives and process for each grant round; and

- As determined necessary by the Advisory Board and the CETF.

Additionally, this memorandum will be posted on the City's Council Agenda website for the February 12, 2019 Council Meeting.

COORDINATION

This memo was coordinated internally with the City Attorney's Office and the Library Department.

This memo was coordinated externally with CETF and Facebook.

COMMISSION RECOMMENDATION/INPUT

There was no commission recommendation on this action at this time.

COST SUMMARY/IMPLICATIONS

Site lease revenue for small cell sites are anticipated to generate \$21 million over a 10-year period and will be recognized and appropriated to the Digital Inclusion Program appropriation. The \$21 million is made up of contributions from AT&T, Mobilitie, and Verizon. Lease revenue may vary based on changes to the number of sites, timing of permitting and lease of each site, and number of carriers. Lease revenue may also be impacted by a federal court review of the FCC ruling on small cell infrastructure. An additional \$1.0 million, or four years of \$250,000 each, from Verizon will also be received and appropriated to the Digital Inclusion Program. Fundraising in the amount of \$10 million is not guaranteed and will be recognized as funds are received.

Necessary resources to support the Digital Inclusion Program will be brought forward as part of the 2019-2020 Proposed Operating Budget, including staffing in the Office of Civic Innovation and Digital Strategy, one-time set-up costs in the Library Department, and other city support costs. The Library Department and other City departments may also receive funding through the competitive grant process administered by CETF. Requests to recognize and appropriate the grants from CETF to the City will be brought forward to the City Council as appropriate. It is unclear if an outside auditor would be necessary to assist in monitoring the performance of the utilization of Digital Inclusion Program funds by CETF. If it is determined that an auditor will be necessary, costs will reduce the funds available to grant to CETF.

The budget actions recommended in this memorandum recognize small cell revenue projected to be received in 2018-2019 and allocates this funding to the Digital Inclusion Program.

BUDGET REFERENCE

The table below identifies the fund and appropriations associated with the recommended budget actions.

Fund #	Appn #	Appn. Name	Total Appn	Requested Budget Action	2018-2019 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	R130	Other Revenue	\$166,072,788	\$750,000	III-34	12/04/2018, 78880
001	204M	Digital Inclusion Program	\$300,000	\$750,000	N/A	06/26/2018, 30136

CEQA

Not a Project, PP 17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment, and PP 17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/
DOLAN BECKEL
Director, Civic Innovation & Digital Strategy


MARGARET MCCAHAN
Budget Director

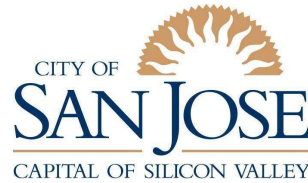
I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2018-2019 monies in excess of those heretofore appropriated there from, said excess being at least \$750,000.


MARGARET MCCAHAN
Budget Director

For questions please contact Dolan Beckel, Director, Office of Civic Innovation and Digital Strategy, at (408) 535-8260.

Attachments:

Digital Inclusion Strategy Report
Dalberg Report on Bridging the Digital Divide in San José
CETF Decade Report



**San Jose Digital Inclusion Partnership
Advisory Board Members**

Allen S. Hammond

Phil and Bobbie Sanfilippo Chair and Professor of Law, and Director of the Broadband Institute of California, Santa Clara University

Angel Rios

Deputy City Manager

Betty Ramirez

Youth Outreach Specialist, San Jose Youth Commission

Chris Funk

Superintendent, East Side Union High School District

Christine Fitzgerald

Community Advocate, Silicon Valley Independent Living Center

Christopher Thompson

San Jose Program Director, Knight Foundation

Dr. Lisa Andrews

CEO, Silicon Valley Education Foundation

Jill Bourne

Library Director, San Jose Public Library

Dr. Katherine Harris

Professor of English and Comparative Literature, San Jose State University

Karla Rodriguez-Lomax

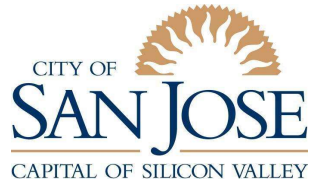
Public Affairs Director, Kaiser Permanente

Lennies Gutierrez

Director of Government Affairs, Comcast

Dr. Mary Ann Dewan

County Superintendent of Schools, Santa Clara County Office of Education



**San Jose Digital Inclusion Partnership
Advisory Board Members**

Nicole Taylor

President and CEO, Silicon Valley Community Foundation

Sam Liccardo

Mayor, City of San José, Co-Chair of the Digital Inclusion Advisory Board

Steve Preminger

Director Office of Strategic, Santa Clara County

Sophie Horiuchi-Forrester

San Jose Regional Manager, AARP

Tedi Vriheas

Director of External Affairs, AT&T



Memorandum

TO: J Guevara
Broadband Manager Email: j.guevara@sanjoseca.gov
Office of Civic Innovation & Digital Strategy Telephone: (408) 535-8123
City Manager's Office
City of San José
200 E. Santa Clara Street
San José, California 95113

FROM: Sunne Wright McPeak 
President and CEO
California Emerging Technology Fund

DATE: August 15, 2019

RE: Progress Report on the San José San Digital Inclusion Partnership

The purpose of this Memorandum is to provide an interim Progress Report from the California Emerging Technology Fund (CETF) to the San José City Manager's Office regarding the status of implementation of the Digital Inclusion Partnership. CETF began working in good faith with the City Manager's Office and Office of the Mayor immediately following action by the City Council on February 12, 2019 to approve the "Donor Advised Governance Structure Proposed for the San José Digital Inclusion Fund" which authorized the City Manager to negotiate and executive an agreement CETF to assist with implementation of the program. The agreement between the City and CETF was signed by the City Manager on May 14, 2019. This Progress Report provides a summary of activities through mid-August 2019 to coincide with the first 90 days following execution of the agreement.

CETF has worked in collaboration with the City Manager's Office and the Mayor's Office to complete the following activities:

- Prepared and submitted to City Manager's Office on March 3, 2019 an initial Work Plan for April 2019 through March 2020.
- Reached out to all Councilmembers regarding: (a) interest in hosting a Community Forum and/or other opportunities to brief constituents about the Digital Inclusion Fund; (b) recommendations of community organizations to invite to Community Forums and to engage as prospective grantees; and (c) identification of communications channels to distribute information about the Digital Inclusion Fund and available offers for affordable home Internet service.

- Developed and posted the Position Description for the Digital Inclusion Partnership Program Director on April 1, 2019 and launched extension outreach to recruit qualified applicants by deadline on June 7, 2019. Managed evaluation and interviewing process in collaboration with City Manager's Office, checked references, and hired the Director to begin August 19.
- Developed overview for Community Forums, recruited co-sponsor partners, invited community organizations, and convened first Community Forum on May 15 hosted by Councilmember Esparza. Participated in a National Night Out event hosted by Councilmember Khamis on August 6. Scheduled a Community Forum for October 23 hosted by Councilmember Peralez. Identified opportunities for additional outreach and briefings with Councilmembers Davis and Foley that will be pursued in the next 30 days.
- Prepared a framework for fundraising to begin planning and organizing activities to seek \$10 million in leveraging funds. Participated in the pro bono study conducted by the Harvard Business School Community Partners (HBSCP) to determine messages for fundraising and received the HBSCP report to begin incorporating recommendations. Assisted in planning and supporting the convening of civic leaders on June 17 hosted by Mayor Liccardo to discuss prospective fundraising strategies and opportunities. Continue to work with the Mayor's Office to plan and pursue funding partners.
- Developed and submitted a Framework for Evaluation Metrics and Methodologies setting forth 10 Principles that have been accepted by the City Manager's Office and concurred in by the Mayor's Office. Shared the Framework with the City Librarian and obtained additional input for further work, which is in progress. Prepared and submitted an updated Framework consistent with the City Council directive.
- Provided input to the City Manager's Office to identify and recruit Advisory Board Members and facilitated scheduling the first meetings on August 22 and September 26. Prepared the Working Agenda and delineated Briefing Packet materials. Continuing to prepare documents for the inaugural meeting on August 22.
- Participated in briefings of several key stakeholders, including the Knight Foundation, Silicon Valley Education Foundation and East Side Alliance, Joint Venture Silicon Valley, Silicon Valley Leadership Group, Age-Friendly San José, and Career Girls.
- Established business relationship with WeWork which is providing pro bono office space for the San José Digital Inclusion Partnership arranged by the Mayor's Office.
- Prepared and submitted to the City Manager's Office on July 22, 2019 an updated Work Plan for July 2019 through June 2020 reflecting the agreed-upon activities and timetable to ensure the first round of Digital Inclusion Grants can be recommended to the City Council by the end of 2019 and announced publicly early in 2020.