



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo  
Councilmember Dev Davis

**SUBJECT:** DIGITAL INCLUSION FUND

**DATE:** February 21, 2020

Approved:

Date: 2/21/20

## RECOMMENDATION

Accept staff recommendation to award \$1M in grants to 23 community based organizations (CBOs) that advance the goals and mission of the Digital Inclusion Fund, with the following additional direction:

- 1) Continuous improvement: Engage with community stakeholders and experts to ensure ongoing assessment and updates to the grant application, capital allocation methodology, evaluation, and outreach strategy, and communicate our process improvements with all relevant stakeholders.
- 2) Engaging Council: Present to the Smart Cities Committee regularly regarding metrics, evaluation criteria, and performance, with an annual update to the City Council.
- 3) Scaling Impact: Support fundraising efforts of the Mayor's Office of Technology and Innovation to supplement the Digital Inclusion Fund, including corporate, philanthropic, as well as state and federal budget requests and potential legislation.

## BACKGROUND

San José has held up as a model city championing digital equity. In May 2018, Council unanimously approved the establishment of the Digital Inclusion Fund. Since then, the City and California Emerging Technology Fund (CETF) have achieved significant milestones in closing the digital divide for 50,000 households.

As we launch the largest cross-sector digital inclusion initiative in the nation, we have many partners to thank: CETF (especially Secretary Sunne Wright McPeak and Charlene Tatis), the Digital Inclusion Fund Advisory Board, the City Manager's team (Dolan Beckel, J. Guevara, and Kerstyn Olson) and the small but mighty band at the Mayor's Office of Technology and Innovation (including Shireen Santosham, Apoorva Pasricha, and Kaylana Mueller-Hsia) for their great work. We also thank our

corporate, philanthropic, and community partners, and most importantly, all of our grantees who spent hours crafting programs to serve those in need.

We have successfully established a Digital Inclusion Advisory Board as the governing body and launched the grant application in October 2019. Thirty organizations submitted applications seeking over \$3 million. The Board concluded 2019 by unanimously approving \$1 million in grants to 23 out of the 30 organizations.

Staff, the Board, and all relevant partners engaged in a comprehensive outreach process to build awareness about the grant amongst a diverse set of community organizations. The recommended grants have undergone a robust evaluation process to ensure that awards are granted to outcomes driven organizations. Moreover, CETF and staff have charted an engagement strategy for all organizations to build the broader digital inclusion ecosystem.

In this first set of grants, the City prioritized inclusivity and equity, with a focus on expanding our reach beyond the pool of “usual suspects” of community organizations. We have funded 23 organizations in smaller amounts to bring smaller community-based organizations along, to step up to what will be a larger, more comprehensive effort. Improving subsequent grant cycles through feedback from the community and relevant stakeholders will make our process stronger and ensure we define inclusivity and equity through an evolving lens.

The Digital Inclusion Fund is the largest cross-sector initiative of this nature in the country. It is complicated. Although CETF will provide annual updates to City Council, the conversation about metrics and annual evaluation criteria of the grants warrants a deeper discussion through the Smart Cities Committee. Additional analysis will allow a greater understanding of the decision-making process amongst the committee and community.

To sustain and supplement the required funding, we will expand our fundraising efforts. We have already secured several hundreds of thousands of dollars in philanthropic commitments, but to achieve the goal of reaching 50,000 households, we need to bridge our \$10 million funding gap. Fundraising will also better position us for state and federal funding, and for opportunities for corporate partnerships.

If left unaddressed, the pace of technological change will only exacerbate the digital divide. Equitable access to devices, connectivity, and digital skills and training is a critical path to achieving economic mobility. Providing organizations with one-time funding will not sustainably address the issue. We must build an ecosystem of partners who play different roles in bridging the divide: devices, infrastructure, and financial resources. In the meantime, our community’s need outpaces our available resources, so we will need to continue to build on our momentum.

#### **BROWN ACT**

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member’s staff, concerning any action discussed in the memorandum, and that each signer’s staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member’s staff.*