



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo

**SUBJECT:** SEE BELOW

**DATE:** June 23, 2020

**APPROVED:**

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**SUBJECT: COVID-19 DIGITAL INCLUSION EXPENDITURE PLAN**

## **RECOMMENDATION**

Direct the City Manager to:

1. Approve the funding strategy for the proposed investment of Coronavirus Relief Fund, Digital Inclusion Fund, and Community Development Block Grant dollars in specific projects that provide broadband services and connectivity devices for unconnected and under-connected San José students and residents
2. Negotiate and execute an agreement to provide connectivity to residents impacted by COVID-19 for a one-year term with maximum compensation not to exceed \$3,430,000
3. Update Council regarding the communications plan with our school district partners and their families to ensure that (a) there is clear awareness about the lack of a funding source for the ongoing \$3 million annual cost for cellular service subscriptions beyond the first year, and (b) school districts understand the need to convene to discuss funding options.

## **BACKGROUND**

In 2016, San José's City Council unanimously approved the Smart City Vision. Setting the ambitious goal of making San José America's most innovative city, we focused on ways to proactively leverage technology and data to improve the lives of our residents. However, the Vision also recognized that technological advance has left too many members in our community behind. Building an inclusive city, one of the five core pillars of the Smart City Vision, requires benefits of technology reach the most vulnerable members of our community. As education, job

opportunities, and services increasingly become digital, the imperative to bridge the digital divide becomes more urgent.<sup>1</sup>

Even before the current health crisis, broadband internet was no longer a luxury but an essential onramp to education, publicly available information, city services, and commercial and employment opportunities. For the last four years, we have advocated through testimony before Congress, service on a Federal Communications Commission advisory body, in Sacramento, and through litigation to expand access for low-income families. I'd like to thank Shireen Santosham, our former Chief Innovation Officer, for much of her work spearheading these early efforts, and in launching the Mayor's Office of Technology and Innovation (MOTI).

Through negotiations led by Dolan Beckel, we secured millions in private resources to help us stand up the Digital Inclusion Fund, to enable thousands of low-income San José families. This path-breaking public-private partnership between our city, the California Emerging Technology Fund (CETF), and private telecom firms to bridge the digital divide with the goal of connecting 50,000 households to high-speed internet and providing digital skills training over the coming decade.

Of course, the pandemic has exacerbated the digital divide's impact in depriving too many of our families of education and economic opportunity, so we have accelerated our efforts together. Our team at MOTI—particularly Apoorva Pasricha and Kaylana Mueller-Hsia—has pushed forward on several initiatives, supporting \$1 million in grant making to 23 community-based organizations, fundraising another \$1 million in private sector donations, supporting efforts to secure hundreds of donated devices, and coordinating efforts to lobby telecommunications companies to extend free internet offerings during the pandemic. The Council unanimously approved my June Budget Message last week, approving \$3.5 million to pave the way for a agreement contemplated by the Council today. And perhaps most importantly, Kip Harkness and Jill Bourne have masterfully negotiated a creative deal with AT&T that will secure agreement to secure hotspots for 11,000 students and their families, and rapid buildout of small cell-supported connectivity for thousands more residents. Thanks to AT&T's Chris Congo, Tedi Vriheas, and Angela Kung for their willingness to engage in this unique partnership, the first of its kind nationally.

Special thanks to Jill's team—including Ann Grabowski and Abby Shull—for stepping up through their efforts within the EOC to accelerate our work. Of course, we can only accomplish all of this work due to our many community partners: Dr. Mary Ann Dewan at SCCOE, Sunne Wright McPeak and Charlene Tatis at CETF, Chris Funk and his team at East Side Union High School District, and our many school district partners.

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<sup>1</sup> <https://moti.sanjosemayor.org/wp-content/uploads/2018/10/digital-inclusion-report-2017.pdf>