

# Last-Mile Broadband Initiative

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## Update

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March 7<sup>th</sup>, 2023



California Public  
Utilities Commission

# 2022 Broadband Investment Last-Mile Broadband Initiative Snapshot

	TECHNICAL ASSISTANCE	LOAN LOSS RESERVE FUND	FEDERAL FUNDING ACCOUNT	CALIFORNIA ADVANCED SERVICES FUND
Amount	\$50 million	\$750 million	\$2 billion	\$150 million/year
Summary	Assist local governments & Tribes to prepare for broadband infrastructure investments.	Enable local governments & nonprofits to secure financing for broadband infrastructure.	Fund last-mile broadband infrastructure projects in every county.	Assist with broadband infrastructure deployment & adoption in public housing, Tribes, & unserved areas.
Target	<u>Apply</u> monthly now	<u>Proposed Decision</u> in first half of 2023	Create project applications based on unserved locations	<u>Apply</u> in the next cycle for adoption, public housing, & line extension accounts

# Local Agency Technical Assistance

## \$50 Million for Local and Tribal Governments

- To facilitate last-mile broadband infrastructure projects
- Supporting local agency and Tribal efforts to expand broadband to families and communities lacking sufficient internet access

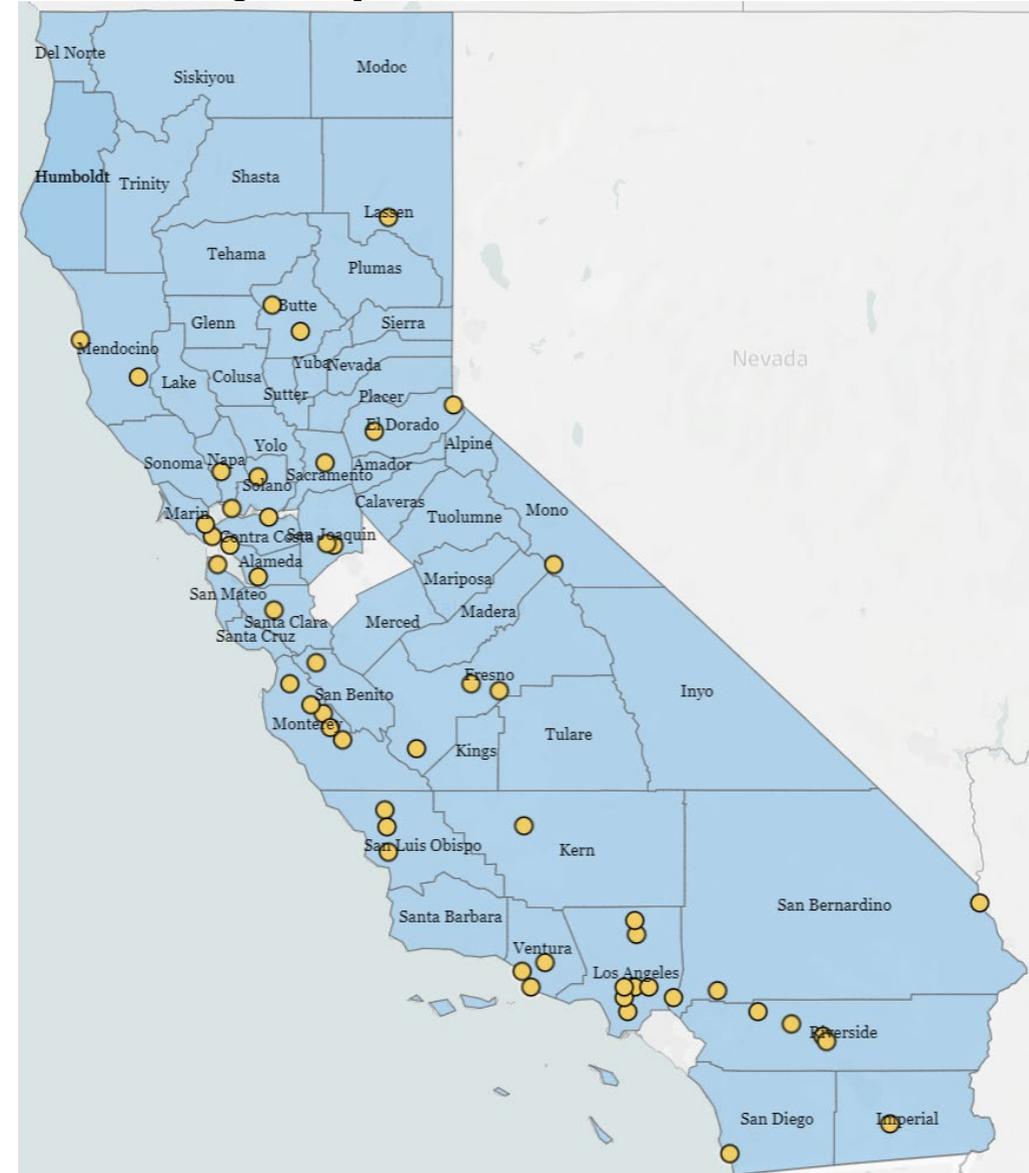
## Eligibility

- Broad eligibility for public entities and Tribes
- Eligible costs are for pre-construction deliverables, such as environmental permits, engineering studies, and strategic plans

## Applications

- Awarded LATA grants to 82 applicants for a total of \$36.4 million.
- Received 119 applications totaling \$52.5 million in funding requests, as of March 1, 2023.
- Reviewing the first set of quarterly progress reports from 57 LATA grantees, received on January 31, 2023.

## County Map of Technical Assistance



# Loan Loss Reserve Program

## Purpose

The broadband [Loan Loss Reserve Program](#) established by SB 156 helps finance the deployment of broadband infrastructure by public entities

## Comments

Receiving comments on proposed program rules

- [Staff Proposal for Comment](#)
- [Program Fact Sheet](#)
- [Comment Proposal Fact Sheet](#)



### Broadband Loan Loss Reserve Fund Ruling and Staff Proposal Issued

#### Overview – CASF proceeding R.20-08-021

In 2021, SB 156 established the Broadband Loan Loss Reserve Fund in the State Treasury. The State will continuously appropriate moneys in this fund to the Commission to fund costs related to the financing of the deployment of broadband infrastructure, by a local government agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance not to exceed 5% of the total debt issued, obtaining credit enhancement, and establishing the funding of reserves for payment of principal and interest on the debt.

#### Timeline

- Assigned Commissioner Houck 2<sup>nd</sup> Amended Scoping Memo and Ruling – March 2022
- Comments and Reply Comments on 2<sup>nd</sup> Amended Scoping Memo and Ruling – April 2022
- Ruling and Staff Proposal issued – September 26, 2022
- **Comments on Staff Proposal due - October 14, 2022**
- **Reply Comments on Staff Proposal due - October 24, 2022**

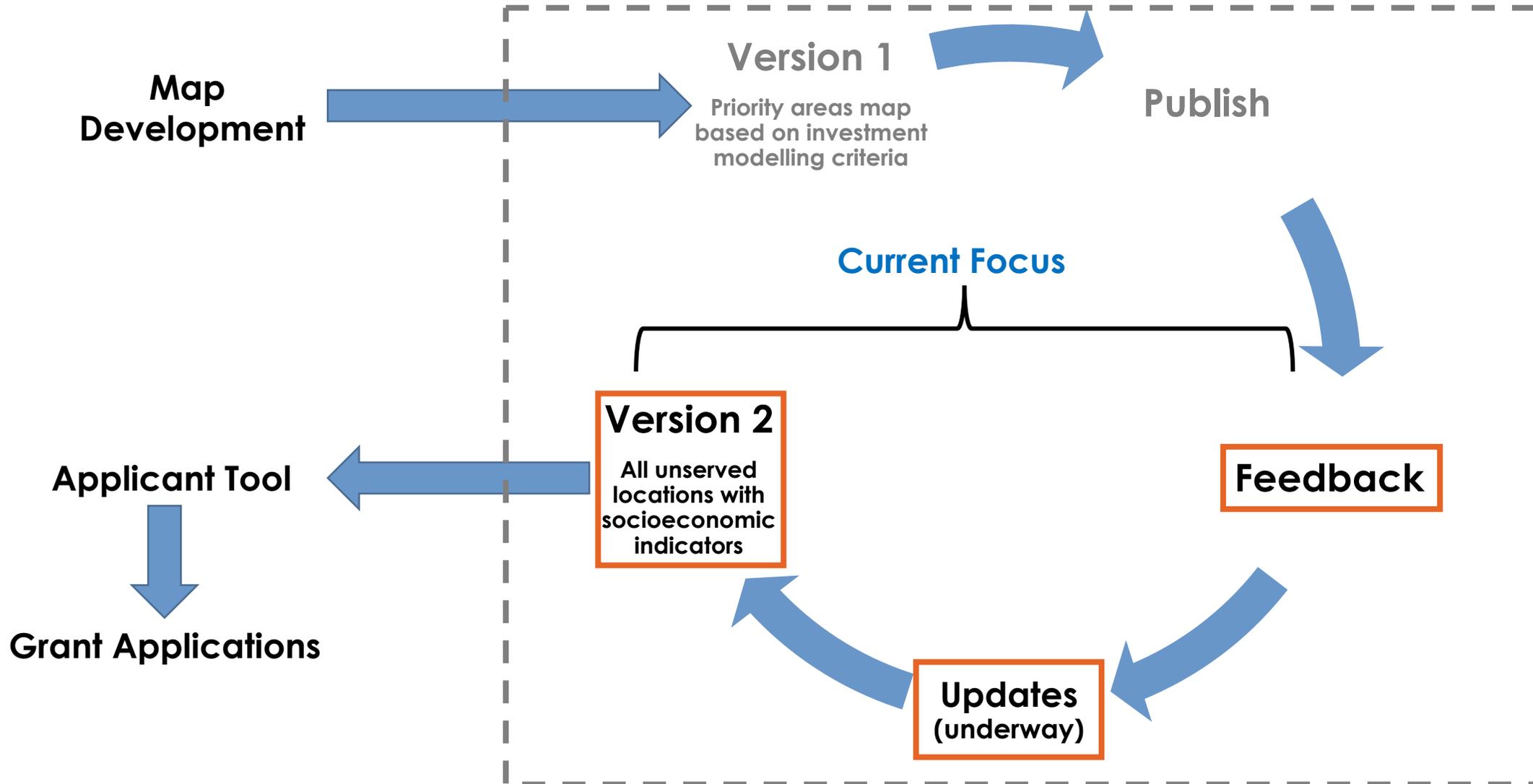
#### Proposed Program Key Elements

- SB 156 allocates \$750 million to the Loan Loss Reserve Fund, with no expiration date.
- Credit enhancements to support bond issuances for broadband infrastructure: Loan Loss Reserve & Debt Service Reserve Fund
- The Loan Loss Reserve includes principal coverage between 5-20% of the total amount of the project loan, in the event of default.
- Debt Service Reserve Fund includes costs associated with payment of principal and interest on debt not to exceed 20% of the total debt amount and 2 years of debt service payments, in the event a recipient is unable to make payments on project debt.
- Two-part application review process:
  - Part I – A review of applicant eligibility and project eligibility.
  - Part II – A review of the project's financial solvency and "impact" of the credit enhancement on the loan.

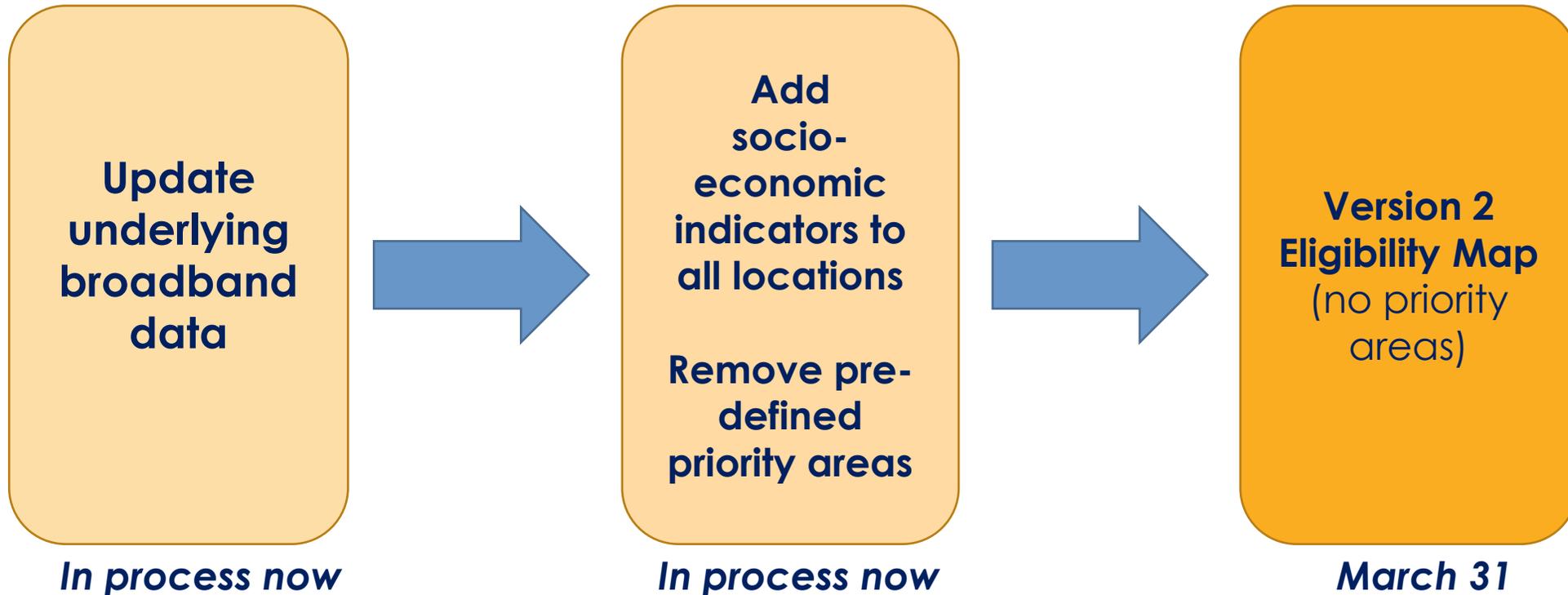
# Feedback and Updates to Federal Funding Account Eligibility Map

- **Over the past month, we heard from stakeholders that:**
  - Unserved locations were not appearing on the map.
  - Equity needed to be more deeply incorporated in the process and applicants need to be able to draw their own projects and leverage existing metrics for disadvantaged communities.
  - The CPUC should provide more data to enable applicants to evaluate areas.
- **Based on this feedback the CPUC is working on implementing the following changes:**
  - Removing pre-defined priority areas.
  - Updating the underlying data to better reflect the number of unserved locations.
  - Awarding up to 20 points from “existing broadband service need” category based on disadvantaged community indicators.

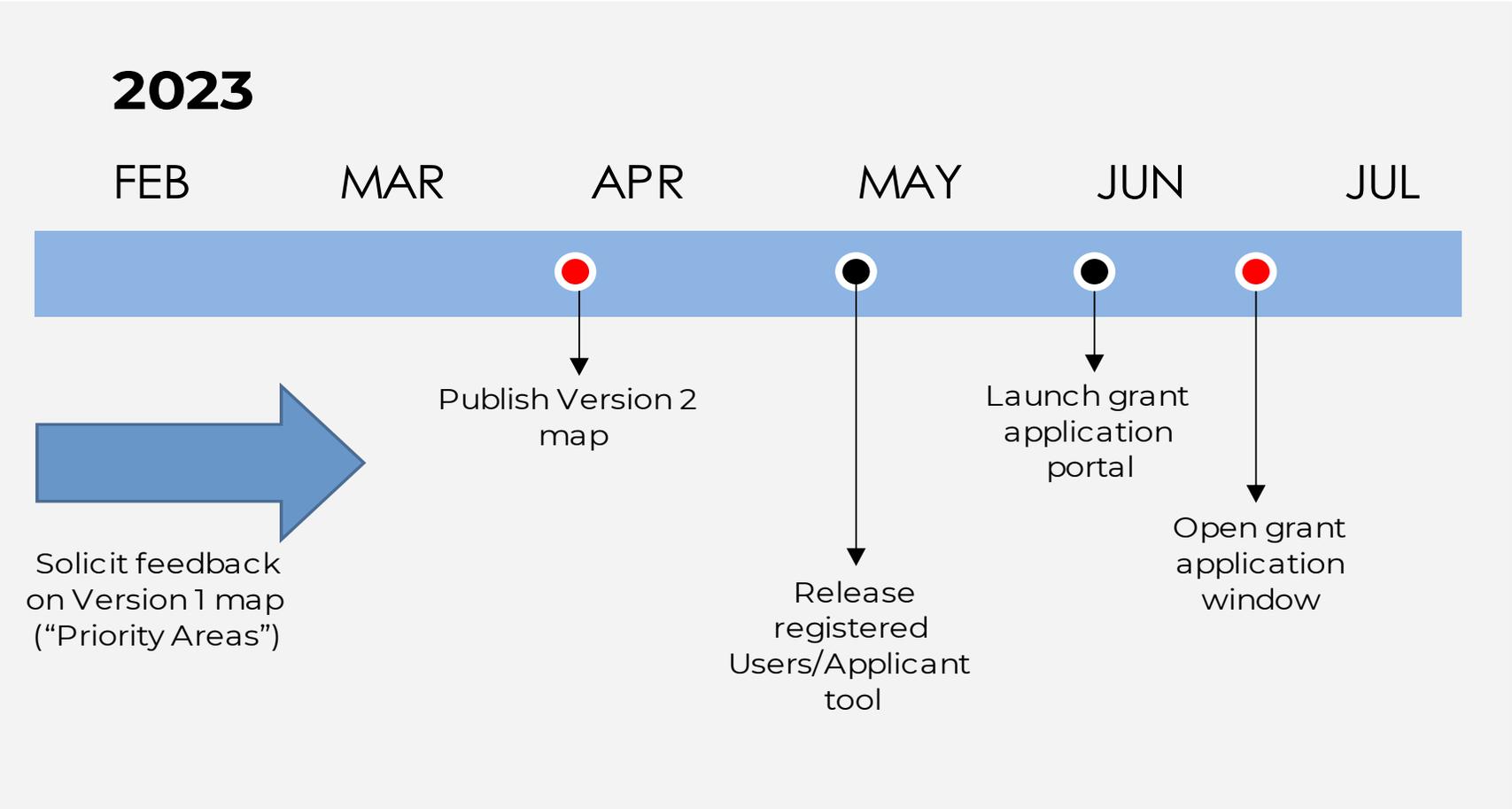
# Federal Funding Account Map Rollout and Update Process



# Map Update Details



# Timeline – Federal Funding Account



# Federal Funding Account County Allocations – Key Points

- **The \$2 billion in SB 156 for the Federal Funding Account is divided into:**
  - \$1 billion for urban counties (31)
  - \$1 billion for rural counties (27)
- **Each county is allocated \$5 million**
  - The remaining money is allocated based on each county's proportionate share of California households without access to broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to broadband data collection as of July 1, 2021.
- **Counties have up to their allocated amount for federal funding account projects.**

# California Advanced Services Fund Broadband Grants

## Public Housing and Low-Income Communities

Grants to build broadband networks offering free broadband service for residents of low-income communities that include but not limited to, publicly supported housing developments, and housing or mobile home parks with low-income residents

- 19 projects awarded \$1.4 million.

## Broadband Adoption and Digital Equity

Grants to public entities and community-based organizations for digital literacy and broadband access projects

- 74 projects awarded \$5.9 million.
- Action on remaining 24 applications in March 2023.

## Regional Consortia

Regional consortia of public entities and community-based organizations to help deploy broadband infrastructure and service by assisting with broadband grant application development.

- Awarded 15 projects for \$10.33 million.



California Advanced Services Fund Adoption Account Center for Elders' Independence digital literacy project grantee

# California Advanced Service Fund – Upcoming Dates

- April 3, 2023—CASF Annual Report Due
- April 10, 2023—Annual Workshop
- July 1, 2023—Applications Due for Adoption and Public Housing Accounts
- April 1, July 1, October 1, 2023—Tribal Technical Assistance Application Cycles
- Infrastructure Account Applications Due – considering an extension

# Broadband Equity, Access and Deployment Program

**Funding pool**  
\$42.45B

A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it to and increase adoption of high-speed Internet.

## PROGRAM HIGHLIGHTS

### Example eligible uses of funds include:

- ☆ Planning for deployment of Internet
- ☆ Deploying or upgrading Internet
- ☆ Installing Internet in multi-tenant buildings
- ☆ Implementing adoption and digital equity programs
- ☆ Workforce and job training

### Next steps:

- **California's allocation (based on share of all unserved locations nationally) announced in June**
- **CPUC and CDT will conduct extensive public outreach across California**
- **CPUC Rulemaking 23-02-016 will expeditiously establish program rules**

## ESTIMATED TIMELINE

Timeline approximate unless exact date specified

