COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/3/2024

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Economic Development Collaborative
Staff Name and Phone Number: Ethan Brown, Katherine DiPasqua, and Kate Fosburgh 565-6459
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:
Broadband

Recommended Action:

A. Receive an update on the County's Broadband Program.

B. Approve reprograming of $2,350,000 in previously allocated American Rescue Plan Act (ARPA) funding for Broadband initiatives, dependent on the outcome of Sonoma County's Last Mile Federal Funding Account (FFA) Grant application, as follows:

   a. Delegate authority to the Director of Sonoma County Economic Development Collaborative to execute a funding agreement, in a form approved by County Counsel, with Golden State Connect Authority for construction of portions of the Walsh Landing and/or Jenner broadband project areas, in an amount not-to-exceed $2,350,000, to the extent that the subject FFA grant is not awarded to the County for Walsh Landing or Jenner; and

   b. Approve a funding agreement with Golden State Connect Authority for further low-level broadband design services, for the balance of said ARPA funds in an amount not-to-exceed $2,350,000, to the extent said funds are not needed for broadband construction in the Walsh Landing and/or Jenner areas.

C. Award the contract and delegate authority to the Director of Sonoma County Economic Development Collaborative, to execute an agreement in a form approved by County Counsel, with Comcast for a one-time bulk purchase of internet subscriptions to be used by underserved persons, in an amount not-to-exceed $200,000 using American Rescue Plan Act (ARPA) funding previously allocated by the Board.

Executive Summary:
Consistent with the Treasury's final rule, in December 2021 the Board of Supervisors approved the use of $3 million in American Rescue Plan Act (ARPA) funding towards Broadband initiatives. Throughout 2023, the Board of Supervisors provided direction to Economic Development Collaborative (EDC) staff on numerous Broadband Program components, including the implementation model for an Open Access Network in Sonoma County, approving a Memorandum of Understanding with Golden State Connect Authority (GSCA) to finance, design, build, own, and operate the proposed Open Access Broadband Network in Sonoma County right of ways, identifying priority areas for broadband infrastructure deployment, and authorizing the use of

ARPA funding towards project staffing and to supplement infrastructure design costs.

This report includes an update on the progress EDC has made in the past year on Broadband initiatives, including a request to reprogram the ARPA funds previously allocated by the Board for the following:

- Funding agreements with Golden State Connect Authority, in a total not-to-exceed amount of $2,350,000, to be used towards construction of broadband infrastructure in Walsh Landing and/or Jenner, or towards additional low-level, construction-ready ("shovel ready") design, dependent on the outcome of Sonoma County's Last Mile Federal Funding Account (FFA) Grant application; and

- An agreement with Comcast in the amount of $200,000 for a one-time purchase of bulk internet subscriptions to be used by underserved persons, as identified in a recent digital needs assessment. The purchase will be for approximately 556 internet subscriptions, good for one year of free internet service at a minimum speed of 100 MBPS download and 20 MBPS upload. The subscriptions will be distributed to residents of approximately ten affordable housing complexes throughout the County, with roughly two sites in each supervisorial district.

Discussion:

Infrastructure Deployment

Last Mile Federal Funding Account (FFA) Grant

In August 2023 the Board of Supervisors provided direction to Economic Development Collaborative (EDC) on priority areas for broadband infrastructure deployment based on the following criteria: median household income of the project area, proximity to the statewide Middle Mile, which is being constructed by the State of California along major highways to bring high-speed broadband service to unserved and underserved communities, and subsidy needed per unserved household based on estimated construction costs.

Based on those factors, the following locations were identified to be included in the County's application, through Golden State Connect Authority (GSCA), for the California Public Utilities Commission's (CPUC) Last Mile Federal Funding Account (FFA) Grant, a $2 billion grant program for last-mile broadband infrastructure projects to connect unserved Californians.

Project Area	Network Mileage	No. Unserved Households	District	Middle Mile Connection
Jenner	4.87	86	5	Hwy 1
Walsh Landing	12.18	183	5	Hwy 1
Southeast Santa Rosa	24.96	278	3	Hwy 101
East Cloverdale	44.42	298	4	Hwy 101

The State received 484 FFA grant applications with more than $4.6 billion in requests. As such, the CPUC has spread out the funding announcements throughout the year. The latest information from the CPUC indicates that they will continue to make funding recommendations through the end of December 2024.

Announcements of proposed awards must be 30-days prior to a public Commission voting meeting. There are currently Commission voting meetings scheduled on January 16, 2025 and January 30, 2025, which means the award announcement for Sonoma County is expected to be made by December 16, 2024 or December 30, 2024.

Complications Due to Prior Rural Digital Opportunity Fund (RDOF) Award in Sonoma County

In addition to FFA, EDC has been tracking the Broadband Equity Access and Deployment (BEAD) Program, funded through the National Telecommunications and Information Administration (NTIA) and administered by the California Public Utilities Commission (CPUC). The BEAD program will provide $42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment, and adoption programs nationwide.

In July 2024, the CPUC announced a BEAD Challenge Process, which allowed individuals to submit feedback on their service speeds and status at their locations to help inform the map that the CPUC and NTIA will use to determine funding eligibility. EDC sent materials to local Chambers of Commerce, Community and Municipal Advisory Councils, non-profits, and published information on the County's social media platforms on how residents could participate in the CPUC's BEAD Challenge Process.

Unfortunately, this process revealed that most of the West County's unserved or underserved locations are precluded from receiving BEAD funding due to a 2022 Federal Communications Commission (FCC) award to Frontier Communications to serve these same areas through a Rural Digital Opportunity Fund (RDOF) grant. Attachment 1 shows the areas in Sonoma County for which Frontier received funding. Under RDOF, Frontier has six years to construct the network. To retain the grant award, Frontier is required to deploy 40% of the network within three years, or by the end of 2025. Since Frontier's award is statewide, they can meet the 40% threshold without doing any work in Sonoma County.

EDC has been in communication with Frontier regarding their plans, which include broadband fiber installation in certain parts of Cazadero, Timber Cove, and Sea Ranch. These areas are expected to be constructed by mid-2026. Additionally, Frontier is planning a self-funded fiber installation in Kenwood, which is estimated to be completed by Fall 2025. While Frontier continues to communicate that they intend to complete the full network in Sonoma County by the 2028 RDOF deadline, EDC is concerned about the County's ability to bring much needed infrastructure grant funding into some of our highest need areas.

Complicating the matter further is that Frontier's RDOF award overlaps with the County's FFA grant applications in Walsh Landing and Jenner. EDC and GSCA have been in communication with the CPUC and have advocated to keep Walsh Landing and Jenner in the County's project proposal for their funding consideration.

Project Design and Local Agency Technical Assistance (LATA) Grant

In December 2022, the County of Sonoma received nearly $500,000 in funding from the California Public Utilities Commission in the form of a Local Agency Technical Assistance (LATA) grant. Under agreement with Golden State Connect Authority (GSCA), $16,686 of that funding was used to complete a refined, high-level broadband network design for all the County's unincorporated areas with little to no internet service.

The remaining $482,868 was used to complete low-level, construction-ready design in the four priority areas listed in the table above. As part of that effort, EDC coordinated with internal and external stakeholders, including Tilson Engineers, Sonoma County Department of Public Infrastructure, and Fort Ross Elementary

School District to identify locations to permanently house the broadband power infrastructure.

In addition to the low-level design approved for the four priority areas listed above, your Board previously approved the use of $1.5 million of American Rescue Plan Act (ARPA) funding towards an additional 159 miles of low-level network design and delegated authority to the EDC Director to negotiate and execute an agreement with GSCA to complete the work. This additional low-level design can be used by the County for future grant applications and potential partnership opportunities with local Internet Service Providers (ISP).

Today's item recommends increasing the ARPA funding allocated for this use up to $2,350,000, which will increase the low-level design mileage to approximately 256 miles. However, should the CPUC determine that either the Walsh Landing or Jenner project areas are not eligible to receive funding through the FFA grant, staff are recommending that those funds be redirected towards construction costs for those areas. The current estimated construction cost of Walsh Landing is $2,323,414 and Jenner is $843,408. The $2,350,000 million of ARPA would be enough to cover the entirety of costs for the Jenner project area and about two-thirds of the costs for the Walsh Landing area. The potential funding agreement with GSCA will contain the terms as outlined in the Term Sheet included in Attachment 5.

Broadband Equity Access and Deployment (BEAD) Grant

As mentioned previously, the upcoming Broadband Equity Access and Deployment (BEAD) Program, will provide $42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment, and adoption programs nationwide. EDC anticipates the grant application window will open in the first or second quarter of 2025. The BEAD funding awards will be evaluated based on different criteria and service location maps than the FFA grant. The NTIA uses the Federal Communications Commission's (FCC) National Broadband Map and will be basing awards on high density of unserved and underserved locations, low median income of project areas, and high fire danger areas (Tiers 2 and 3 of CPUC High Fire Threat District map: <https://www.arcgis.com/apps/webappviewer/index.html?id=5bdb921d747a46929d9f00dbdb6d0fa2>). EDC will return to the Board in February 2025 with recommendations on project priority areas based on the NTIA's new ranking criteria and results of the FFA funding awards.

North Bay North Coast Broadband Consortium (NBNCBC) Activities

The North Bay North Coast Broadband Consortium (NBNCBC) consists of Sonoma, Napa, Marin, and Mendocino Counties. The group is led by an Oversight Committee, for which Supervisor Coursey is the Sonoma County representative. Sonoma County serves as the Fiscal Agent and an EDC employee serves as Manager of the NBNCBC.

The NBNCBC has a CPUC California Advanced Services Fund (CASF) Broadband Consortia Grant, which provides $600,000 of funding for the Consortium to plan for and assist with infrastructure deployment projects in the region. Current priorities include: a Regional Fixed Wireless Analysis to determine areas where fiber deployment will not be feasible and where fixed wireless is a viable alternative; stakeholder outreach and engagement including website redesign and branding; and collaboration with internet service providers.

The NBNCBC also receives funding from the California Emerging Technology Fund (CETF) to engage with and lead statewide efforts related to digital equity. In consultation with the County's Legislative Affairs staff, the

Consortium recently adopted a legislative platform to guide advocacy efforts for broadband deployment, digital equity efforts, and closing the digital divide.

Digital Equity and Adoption

Digital Needs Assessment

In September 2024, EDC retained Los Cien to conduct a Digital Needs Assessment throughout Sonoma County to determine what barriers communities are facing to fully access and participate in the digital world. The Digital Needs Assessment focused on communities who scored low on the Human Development Index (HDI), which is a measure for a community's health, wealth, and wellbeing, as described in the Portrait of Sonoma <https://www.sonomacf.org/wp-content/uploads/2022/08/Portrait-of-Sonoma-County-2021-Report.pdf> and Health Action Together <https://www.hatogether.org/s/HA_AgendaforAction_Report.pdf> reports, along with other low income areas. To ensure adequate representation of the populations most in need of these services, Los Cien partnered with several community organizations and attended in-person events to distribute the surveys. Participants were compensated with $30 gift cards to local businesses in their area, for a total cost of $17,370, funded with existing broadband appropriations in the current Fiscal Year budget. See Attachment 3 for a list of events and locations where the survey was distributed.

In total, 579 responses were received. Fifty-seven percent (57%) of the respondents identified as Hispanic or Latino and 30% white. The average reported household income was $36,000 and average size of household was 3.2 people. Interestingly, 80% of respondents reported having access to internet in their homes, either through home computers or cell phones. However, when asked about internet speeds, costs, and devices used, there is a clear divide in the respondents' ability to fully access the internet. See Attachment 2 for the Digital Needs Assessment Summary Report.

Of those who reported their internet speeds, approximately 60% reported speeds below the State and Federal standards to be considered "served," which is set at 100 megabits per second (MBPS) download and 20 MBPS upload. Approximately 66% of people who reported their monthly internet costs pay over $50 per month. This means that the majority of respondents in these disadvantaged areas are receiving lower than the minimum standard of internet speeds and yet are still paying at least $50 per month.

The assessment found that even if respondents qualified for a low-income plan through an internet service provider, 80% are paying over $30 per month. Twenty-eight percent (28%) of them are currently paying over $70 per month. Although not every provider offers a low-income plan, Comcast was the most reported provider across all survey responses, and they do offer a low-income option for less than $30 per month. It is evident that more communication to these disadvantaged communities is needed to educate residents on available programs.

The assessment also revealed that there is a need for devices to access the internet in these disadvantaged communities, particularly in households with school-aged children. Forty-four percent (44%) of the survey respondents reported having no devices or only a smartphone to access the internet. However, that number jumps up to 53% when isolating for households with school-aged children.

Time-Limited Internet Subsidy Program using ARPA

While a large portion of the ARPA funding for Broadband will be used towards expanding infrastructure in the

County, it is important to acknowledge that many Sonoma County residents live in areas where broadband infrastructure exists and are still experiencing a digital divide. Therefore, EDC is proposing a Time-Limited Internet Subsidy Program using ARPA funding. This program will provide free home internet subscriptions, at a minimum speed of 100 MBPS download and 20 MBPS upload, to residents of certain affordable housing units throughout the County. To meet ARPA guidelines, the subscriptions shall be for one year and will be distributed and utilized by December 31, 2026.

A Solicitation for Bulk Internet Subscriptions was published on the Sonoma County Supplier Portal and advertised for bids on October 30, 2024. Proposals were due on November 13, 2024. Two bids were received, and both were deemed complete. Comcast had the lowest bid that met or exceeded all specifications in the solicitation.

Today's item recommends the award and one-time purchase of approximately 556 internet subscriptions through Comcast, good for one year of free internet service, at a minimum speed of 100 MBPS download and 20 MBPS upload, for $359.40 per annual subscription. The total not-to-exceed amount is $200,000.

EDC will be coordinating with affordable housing managers and community partners, including Burbank Housing, MidPen, Pep Housing, and West County Community Services, to distribute the subscriptions to eligible residents. Attachment 4 includes a list of the affordable housing properties included in the solicitation that are eligible for this program. On average, each site has 50 units, which means that this program will serve approximately ten properties throughout the County. Staff will return to the Board in the next couple of months with additional details about the program, including recommendations on the final site selection.

Upcoming Grant Opportunities

NTIA Digital Equity Competitive Grant

Sonoma County partnered with California Emerging Technology Fund (CETF) and Rural County Representatives of California (RCRC) on their applications for $12 million each. The CETF proposal would fund training digital navigators, which are trained individuals who can help community members with digital skills, devices, and home connectivity, digital skills training courses, and outreach regarding affordable internet service offers. The RCRC proposal would fund the purchase and placement of computer hardware and software, in locations of the County's choosing, necessary to establish access to digital tools and learning in rural counties. Funding award announcements are expected by April 2025, and if awarded, EDC staff will coordinate with the County Executive and Board of Supervisors to identify locations and programs best suited for the funding.

NTIA Digital Equity Capacity Grant

The NTIA has also awarded the CPUC $70.2 million in State Capacity Grant funding to support implementation of the State Digital Equity Plan. In its draft guidelines, the State proposes to reserve 54% of this funding for subgrants to eligible entities, including local government, for allowable activities including digital equity planning, digital navigation services and trainings, targeted device programs, and other digital equity efforts. The proposed allocation for Sonoma County is 1.3% of available funding, or just under $500,000. EDC staff are tracking this grant closely and considering options for when the application window opens in February 2025, including a potential regional partnership with the NBNCBC. The results of the EDC's Digital Needs Assessment will be used to guide development of the application and prioritize activities.

Based on your Board's Resolution 23-0396 dated August 1, 2023, the EDC Director and the County Executive Officer have delegated authority to secure funding under the above grant opportunities, and for any other grants which may arise for broadband infrastructure project design, implementation, or program support.

Broadband GIS Hub

EDC is also using digital equity grant funding from the CETF to build out a Broadband Geographic Information System (GIS) Hub. This GIS Hub will provide a robust mapping tool for internal use in broadband planning to allow for dynamic and informed decision-making regarding broadband deployment and digital equity needs in the County. The Hub will also incorporate a public-facing component to keep stakeholders informed on broadband priority areas, project status, and the digital equity landscape in the County. The launch of the public facing Hub is anticipated in late December 2024 or early January 2025.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objectives.

Pillar: Resilient Infrastructure
Goal: Goal 4: Implement countywide technological solutions to promote resiliency and expand community access.
Objective: Objective 1: Leverage funding and seek grants to expand communications infrastructure within the community to improve equitable access to broadband, wireless, and cell phone services.

Pillar: Resilient Infrastructure
Goal: Goal 4: Implement countywide technological solutions to promote resiliency and expand community access.
Objective: Objective 2: Leverage existing fiber optic infrastructure and grant opportunities to expand wireless and broadband access across County.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?
Yes

The geographies impacted by broadband infrastructure deployment initiatives are primarily tailored by grant funding scoring criteria for the Federal Funding Account (FFA) Grant. The FFA criteria include prioritization of unserved and underserved locations, low-income communities, and cost of construction. Three of the four target project areas for FFA are predominantly white. However, Southeast Santa Rosa is predominantly Hispanic or Latino.

Although most of the racially diverse areas in Sonoma County are in denser population centers, where internet service is already available, there are still barriers including cost, accessibility, and support with building skills to fully utilize the technology. To understand these digital needs across geographic and socioeconomic groups in Sonoma County, EDC retained Los Cien to conduct a Digital Needs Assessment. The data from this report highlights digital needs aside from infrastructure expansion and provides data to inform future digital equity

programs. See Attachment 5 for Racial Equity Analysis report.

Prior Board Actions:
11/5/24 - Fixed Wireless Infrastructure Analysis Contract Award
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6994188&GUID=1D1816F6-E643-4DAB-BA43-4CD92FB7AD7D&Options=&Search=>
12/12/23 - North Bay North Coast Broadband Consortium Memorandum of Understanding and Letter of Support for Federal Last Mile Funding Account Applications
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6443343&GUID=C404C43E-73CB-4BCD-9BBF-F8BBB56860BA&Options=&Search=>
8/1/23 - Broadband Infrastructure Implementation Options
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6300680&GUID=E48B6D69-DA07-4DFF-9B7F-E8F3E99F4FE8&Options=&Search=>
12/6/22 - California Public Utilities Commission Grant and Broadband Update
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5948413&GUID=B17C2ED9-F822-4F59-82B0-441CD112C428&Options=&Search=>

FISCAL SUMMARY

Expenditures	**FY24-25 Adopted**	**FY25-26 Projected**	**FY26-27 Projected**
Budgeted Expenses	$1,550,000	$1,000,000	
Additional Appropriation Requested			
Total Expenditures	**$1,550,000**	**$1,000,000**	
Funding Sources			
General Fund/WA GF			
State/Federal	$1,550,000	$1,000,000	
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources	**$1,550,00**	**$1,000,000**	

Narrative Explanation of Fiscal Impacts:
This item requests authority to allocate $2,550,000 of previously awarded ARPA funding to support Broadband infrastructure deployment and digital equity needs. The remaining $450,000 of ARPA funding has been set aside for staffing support costs. All ARPA funding will be obligated by December 31, 2024, and expended prior to December 31, 2026. Staff expects there are sufficient appropriations in the Fiscal Year 2024-25 Adopted Budget to fund planned activities, including staffing, one-time purchase of internet subscriptions, low-level design and/or construction, however we will return to the Board through the Quarterly Consolidated Budget Adjustment process should any additional adjustments be needed. Funding for future years will be included in the subsequent Fiscal Year budgets.

Staffing Impacts:			
Position Title (Payroll Classification)	**Monthly Salary Range (A-I Step)**	**Additions (Number)**	**Deletions (Number)**

Narrative Explanation of Staffing Impacts (If Required):
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Attachments:

1. RDOF Funding Area
2. Digital Needs Assessment Summary Report
3. Digital Needs Assessment Engagement Locations and Events
4. Affordable Housing Property List from Solicitation
5. Term Sheet for Funding Agreement with GSCA
6. Racial Equity Toolkit Analysis
7. Presentation

Related Items "On File" with the Clerk of the Board:
N/A