



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Tony Batalla
Director, Information
Technology Department

SUBJECT: Oakland Last Mile Connectivity Project
Grant Acceptance

DATE: August 12, 2024

City Administrator Approval


Jestin Johnson (Aug 27, 2024 16:13 PDT)

Date: Aug 27, 2024

RECOMMENDATION

Staff Recommends That the City Council Adopt a Resolution Authorizing the City Administrator To Accept And Appropriate Grant Funds In An Amount Of \$14,026,946.15 From the California Public Utilities Commission (CPUC), Last Mile Broadband Program To Fully Reimburse The City's Cost Of Planning, Designing And Constructing A Fiber Optic Broadband Network To Enable Free Or Low Cost Internet Service to Underserved Oaklanders, And To Directly Connect 14 Community Anchor Institutions For The Period of September 1, 2024 To January 31, 2029.

EXECUTIVE SUMMARY

Staff Recommends that the City Council adopt the proposed resolution authorizing the City Administrator to accept and appropriate grant funds in the amount of \$14,026,946.15 from the California Public Utilities Commission (CPUC), Last Mile Broadband Program to reimburse the City's cost of planning and constructing a fiber optic broadband network enhancing internet connectivity across underserved communities in Oakland.

BACKGROUND / LEGISLATIVE HISTORY

Initiated in the Federal Budget Act of 2021, the Federal Funding Account (FFA), funds the construction of last-mile broadband infrastructure projects in areas that are underserved. California's multi-year broadband investment package is funded with this FFA and encourages the deployment of broadband throughout the State.

On June 30, 2023, the CPUC opened a grant application window for statewide applications under this program that closed September 29, 2023.

The City of Oakland's Information Technology Department (ITD) submitted an FFA Grant application; the complete application is available online here:

<https://broadbandportal.cpuc.ca.gov/s/gms-application/a0K3d000002YqwREAS/oakland-connect-last-mile-connectivity-for-oaklanders>.

City Council Meeting
September 17, 2024

On July 11, 2024, the CPUC selected the City of Oakland to receive funding for its application.

ANALYSIS AND POLICY ALTERNATIVES

Per the terms of the City's grant proposal, the City of Oakland will construct a City-owned hybrid middle mile/last mile network, consisting of 12.85 miles of new middle mile fiber (144-count SMFO cable), 11.75 miles of existing City municipal fiber (144-count) for middle mile, and 9.28 miles of new last mile fiber connections (12-strand SMFO cable) in disadvantaged and underserved locations throughout Oakland. The City's middle mile ring will include a connection to the State's planned middle mile network.

The proposed network infrastructure aligns with the CPUC Last Mile program goal to close the digital divide by investing in last mile connections for households that lack reliable, high-speed broadband access. This impedes economic mobility, compounding the generational impacts of historical redlining and divestment. Additionally, this investment in City infrastructure will create redundancy in existing City fiber-optic circuits that operate and communicate to public safety networks including Fire, OPD, and emergency services.

The grant proposal calls to connect 2,544 un/underserved households located within 27 of Oakland Housing Authority's (OHA) affordable multi-dwelling units (MDUs) in West Oakland, Downtown, Fruitvale, and East Oakland. The proposed fiber will also provide last-mile connections to 14 community anchor institutions (CAIs) (including nine public safety buildings), and 302 mass market unserved locations. In addition to the 27 MDUs and 2,544 households served by the project, the route will facilitate the potential for future last-mile connections to an additional MDUs, 4,578 businesses, and could support fixed wireless networks that could serve tens of thousands of additional residents.

Per the proposal, from the east, the proposed route connects to the City's existing network at 98th Ave and International Blvd in East Oakland, heading north to Foothill Blvd and west along Foothill Blvd to 23rd Ave in Fruitvale, with a spur to the State middle mile network at Fruitvale Ave. The route serves OHA MDUs and CAIs in East, Fruitvale, and West Oakland.

To implement the project, the Information Technology Department will prepare additional agreements in the future, including with Oakland Housing Authority, and for Network Design and Engineering services, as well as the Construction of the Project.

Collectively, the activities proposed in this application support the Citywide priority of **Housing, Economic, and Cultural Security** by helping ensure that traditionally underserved areas in Oakland are prioritized in the delivery of low-cost or no-cost broadband services. Failing to accept these grant funds would result in the City forfeiting its grant award from the CPUC.

FISCAL IMPACT

Grant funds in the amount of \$14,026,946.15 have been awarded to the City of Oakland to facilitate the cost of a last-mile connectivity planning, design, and construction project. Through this application, the City is providing \$1,563,126.85 in matching funds from Measure U:

Infrastructure GOB Series 2023A-1 (Tax Exempt) Fund (5340), CIP Not PW: Communication and Information Services Organization (94461), Measure U (Broadband)_ITD Project (1007356) authorized in the City's biennial budget as part of Measure U funding for a total project amount of \$15,631,260.85. Finance Department staff have reviewed and confirmed compliance with Measure U General Obligation (GO) Bond expenditure compliance for this this project.

The CPUC grant funds will be recorded in the State of California Other Fund (2159), Administrative Services Organization (46111), Oakland Connect Last Mile Project (1007582), Technology Management Program (IP62).

PUBLIC OUTREACH / INTEREST

Over a time period of approximately two years, the CPUC designed statewide grant guidelines and rules with public input at each stage of their process. Additionally, grant applications were published, and allowed for any individual, group, or corporation to pose questions and raise objections. It was the responsibility of applicants to address any concerns/objections raised about their projects individually.

Within the City of Oakland, City departments and grassroots organizations have been coordinating and seeking community input on the issues of internet accessibility for years. The City collects data on underserved areas and was able to quantify the projected number of connections through this project.

Following grant award, no additional outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures because the application has been vetted at multiple stages, and the funding being used for this project is being granted via a Federal program.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney, the Controller's Bureau, the Department of Finance, and the City Administrator's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Ensuring that robust and low-cost/ no-cost internet solutions across historically disadvantaged portions of Oakland will help ensure connectivity for more households, community activation sites and critical areas along the proposed implementation corridor.

Environmental: Access to reliable internet infrastructure at individual residential sites will decrease transportation needs of residents who have left their residence for intranet access in the past. Additionally, internet solutions that encompass document storage will reduce the need for traditional printing and copying that may have been required at offsite solutions previously.

Race & Equity: Reliable and equitable access to the internet supports racial equity goals and directly addresses racial disparities.

ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Tony Batalla, Information Technology Director, at 510-238-3319.

Respectfully submitted,



TONY BATALLA
Director, Information Technology Department