AGENDA REPORT

CITY OF OAKLAND

TO: The Oakland City Council and Members of the Public

FROM: Councilmember Lynette Gibson McElhaney, Vice Mayor Larry Reid, Councilmember Noel Gallo and Councilmember Loren Tayor

SUBJECT: Digital Inclusion Strategy

DATE: June 25, 2020

City Administrator Approval   Date:

RECOMMENDATION

Vice Mayor Larry Reid, Councilmember Lynette Gibson McElhaney, Councilmember Noel Gallo, and Councilmember Loren Taylor Recommend That The City Council Approve A Resolution Authorizing The City Administrator To 1) Establish A Digital Inclusion Strategy For The Purpose Of Implementing Digital Inclusion Solutions Designed To Improve Economic, Educational, Healthcare, And Employment Access And Opportunities For Oakland's Historically Underserved And Disadvantaged Communities And Small Businesses, 2) Establish A Digital Inclusion Committee Comprised Of City Staff And Community Leaders To Develop The Digital Inclusion Strategy, 3) Accept And Appropriate Funds In The Amount Of Seven Million And Seven Hundred Thousand Dollars ($7,700,000) From The Federal Cares Act Allocation To Seed The Digital Inclusion Strategy In Support Of Phase I Of The Initiative And Designate Five Hundred Thousand Dollars ($500,000) Of The Seed Money To Hire A Consultant To Assist In Developing A Digital Inclusion Strategy, and 4) Waive The advertising, bidding and requests for proposals/qualifications processes And Authorize The City Administrator To Negotiate And Award Contracts Vendor To Implement Phase I Of The Digital Inclusion Strategy And OAK Wifi Public Network Expansion.

EXECUTIVE SUMMARY

Digital Inclusion refers to the activities necessary to ensure that all individuals and communities have equitable access to the use of Information and Communication Technologies (ITCs); the City of Oakland urgently needs an innovative solution to address the digital inequality that currently exists in (large part) throughout the City. In modern economies and societies, the digital divide inequalities mirror the social and economic inequalities that continue to plague the country in general.

The purpose of this report is to seek authority to move forward with implementing a Digital Inclusion Strategy designed to directly impact the underserved and underprivileged areas of Oakland by providing them with the means and capability to connect to the internet via WiFi service.

The attached informational document *A Case for Digital Inclusion,* authored by Pete Peterson, Chief Information Officer, and Alexa Jeffress, Director of Economic and Workforce Development, specifically outlines the critical need for immediate action on providing digital access to the underserved residents in Oakland, and serves as a guiding document for implementing a Digital Inclusion Strategy.

BACKGROUND / LEGISLATIVE HISTORY

In response to the economic impacts suffered nationwide by the COVID-19 pandemic, the federal government initiated the Federal CARES Act to provide funding assistance to help municipalities, small businesses, and American citizens rebound from the significant losses sustained during the COVID-19 shutdown. As part of this federal award, the State of California received approximately $20 billion dollars in funds according to the Legislative Analyst's Office. The City of Oakland expects to receive $35.6 million in relief through these State funds to be spent according to Federal and State guidelines. Most notably, these funds must be expended before the end of the calendar year and must directly respond to the impacts of the COVID pandemic.

The Oakland City Council on June 23, 2020 revised its budget to incorporate the COVID relief funds that will be allocated to Oakland by the State of California. The revised FY2020-FY2021 budget includes an appropriate of $7.7 million to the IT Department for 'COVID: Broadband / Digital Resilience Initiative' which is further specified to mean 'Broadband access to redress COVID-related digital disenfranchisement'.

ANALYSIS AND POLICY ALTERNATIVES

Digital Inclusion – Internet Access

Digital Inclusion is a national problem and strategies are being created and carried out in cities across the country. Our Bay Area Neighboring City of San Jose began its journey to implement a Digital Inclusion Strategy in 2017 - simply stated to say that Oakland is not unique to this problem.
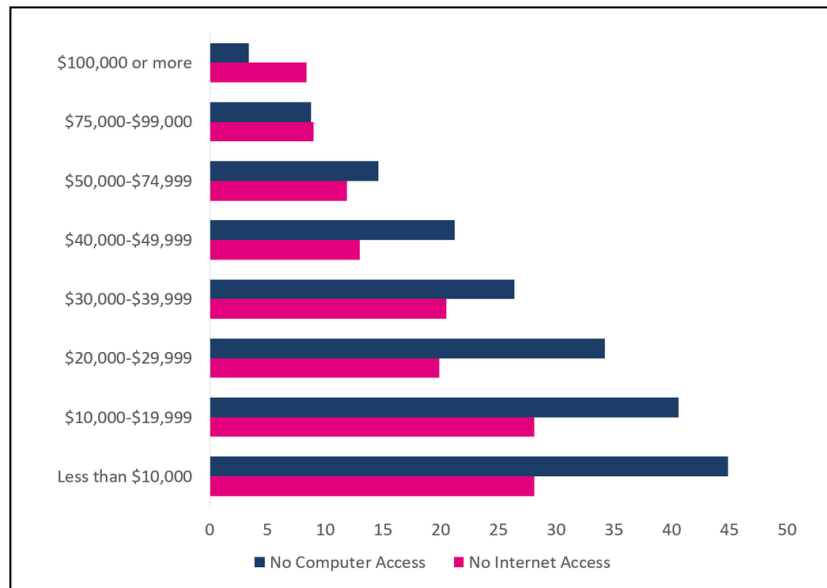
Nationwide statistics show that roughly three-in-ten adults with household incomes below $30,000 a year (29%) do not own a smartphone. More than four-in-ten do not have home broadband services (44%), or a traditional computer (46%), and a majority of lower-income Americans are not tablet owners. By comparison, each of these technologies is nearly ubiquitous among adults in households earning $100,000 or more a year. Higher-income Americans are also more likely to have multiple devices that enable them to go online. Roughly two-thirds of adults living in high-earning households (64%) have home broadband services, a smartphone, a desktop or laptop computer *and* a tablet, compared with 18% of those living in lower-income households. The disparity in online access is also apparent in what has been

called the "homework gap" – the gap between school-age children who have access to high-speed internet at home and those who don't. In 2015, 35% of lower-income households with school-age children did not have a broadband internet connection at home, according to a Pew Research Center analysis of U.S. Census Bureau data.[1]

National Statistics[2]

For both internet and computers, white and Asian children have higher than average access, whereas Black, Hispanic, and American Indian and Native Alaskan children have lower than average access. Access is particularly low for American Indian and Native Alaskan children, with 65% with access to a computer and 63% with home internet.
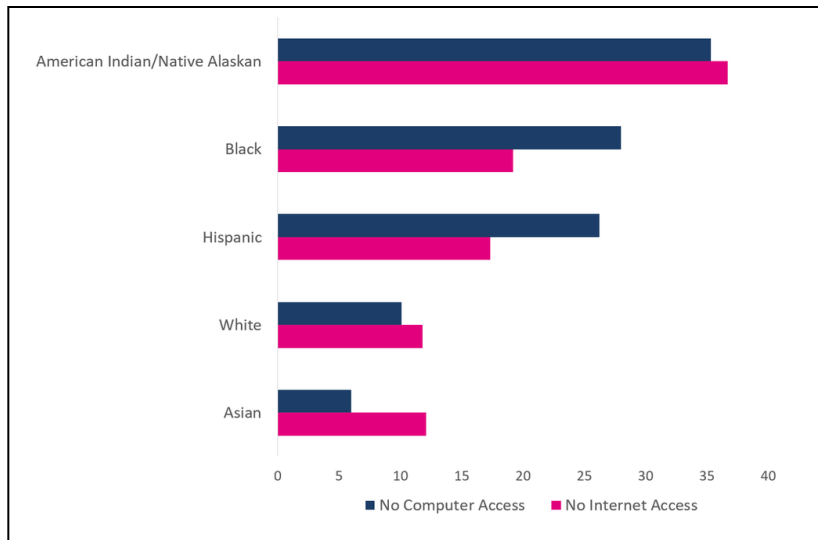
The chart below shows percent of students in households with no internet or computer access by income:

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[1] Pew Research Center
[2] https://usafacts.org/articles/internet-access-students-at-home/

The chart below shows percent of students in households with no internet or computer access by race:

Digital Inclusion Strategy

Empirical research[3] has linked high speed broadband access with increased productivity and key socio-economic benefits such as increased business efficiency, better access to healthcare and also suggests that high speed broadband drives adoption of evolved Internet use-cases such as online learning, commerce, travel, financial services and online work collaboration. Further, it appears that the real gains are associated not only with connectivity but the intensity of use, which reflects not only the extent of time online, though this appears to be a good indicator too, but also the range of services used and the activities undertaken with them.

For Oakland to effectively implement a Digital Inclusion Strategy the full support and involvement of several City Departments including (but not limited to) - Race and Equity, Economic and Workforce Development, Human Services, Housing and Community Development, and Information Technology is required. Representatives from these organizations will make up the Digital Inclusion Steering Committee and play an integral part in driving the initiative forward, sustaining the momentum of the project, and providing the support needed to ensure its success, which includes:

- Performing research, policy development, and implementation plan;
- Guiding community action/establish community relationships;
- Developing and communicating a Strategic Vision for the initiative;
- Expediting permitting, procurement, contacting processes;
- Developing public/private business partnerships;

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[3] A 2013 study by Ericsson, Arthur D. Little and Chalmers University of Technology titled 'Socioeconomic Effects of Broadband Speed' using empirical data from 33 OECD member countries inferred that doubling broadband speeds can add 0.3 percentage points to GDP growth

- Reporting back to Council semi-annually on project status; and
- Actively seek out funding and funding partnerships through grant opportunities, philanthropic donations, and City revenue generating initiatives.

Additionally, the Contracts and Compliance Department will be heavily relied upon during implementation of Phase I to ensure timely review and turnaround of City schedules and other required documents (i.e., insurance, business license, EEO, etc.) submitted by selected vendors for implementation to proceed.

We will also rely upon the Office of the City Administrator to exercise its authority throughout this process to implement any modifications to permitting requirements that are allowed under existing ordinances without further Council authorization.

Waive the Competitive Bid Process

In order to effectively advance the Digital Inclusion strategy, it is critical that staff is able to complete contracts, agreements and procurement of equipment and services in a timely manner. Often times the process of moving agendas forward is significantly slowed down by the City's detailed and comprehensive contracting process, which under these circumstances will be detrimental to accomplishing Phase I of the Digital Inclusion initiative; **the federal deadline for expenditure of funds is December 31, 2020.**

OMC Section 2.04.042 requires a multiple-step solicitation process for the combined purchase of products and professional services by soliciting proposals. However, OMC sections 2.04.042 D permits the City Council to waive the multiple-step solicitation process upon a recommendation of the City Administrator and a finding and determination that it is in the City's best interest to do so.

Due to the urgency of this matter, and strict deadline to expend federal funds (December 31, 2020) staff finds that it is in the best interest of the City to waive the competitive multiple-step solicitation process requirement associated with implementing a Digital Inclusion Strategy and expanding OAKWiFi.

Moving the Strategy Forward

As outlined in the attached report *A Case for Digital Inclusion*, Digital Inclusion is a broad concept, and access to WiFi is just one component to attaining digital equity for all residents in Oakland. As we move forward in this process, we must maintain focus on the big picture which is ensuring we continue to strive for advocacy and awareness, providing free or low-cost devices to connect to the internet, and training to improve digital literacy around proper utilization. All of these things are what make a up a comprehensive, Digital Inclusion Strategy that ensures the residents who need it most are empowered by what this initiative is intended to do – bridge the digital divide between those who have and those who have not.

FISCAL IMPACT

Approval of this resolution will authorize the use of $7.7 million of the Federal Cares allocation to be used for the implementation of Phase I of a Digital Inclusion Strategy as allocated by the City Council during its mid-cycle revisions to the FY19-21 budget. This action has no impact to the general fund for the current year. The City Council will have to consider how to provide ongoing operations and maintenance funding in future years through philanthropy, public private partnerships and user fees as appropriate.

COORDINATION

The Councilmembers coordinated with the City Administrator's Office, Office of the City Attorney, Budget Office, and the Information Technology Department in preparing this agenda report.

SUSTAINABLE OPPORTUNITIES

Economic: By implementing a Digital Inclusion Strategy, students and residents in unprivileged areas of Oakland will have access to digital services, thereby increasing their ability to improve their socio-economic conditions, thereby providing an avenue to positively contribute to the local economy.

Environmental: There are no environmental opportunities identified in this report.

Race & Equity: This initiative is designed to focus on the underprivileged areas of the community, thereby creating a more equitable balance of access to digital services in Oakland.

ACTION REQUESTED OF THE CITY COUNCIL

Vice Mayor Larry Reid, Councilmember Lynette Gibson McElhaney, Councilmember Noel Gallo, and Councilmember Loren Taylor Recommends That The City Council Approve A Resolution Authorizing The City Administrator To 1) Establish A Digital Inclusion Strategy For The Purpose Of Implementing Digital Inclusion Solutions Designed To Improve Economic, Educational, Healthcare, And Employment Access And Opportunities For Oakland's Historically Underserved And Disadvantaged Communities And Small Businesses, 2) Establish A Digital Inclusion Committee Comprised Of City Staff And Community Leaders To Develop The Digital Inclusion Strategy, 3) Accept And Appropriate Funds In The Amount Of Seven Million And Seven Hundred Thousand Dollars ($7,700,000) From The Federal Cares Act Allocation To Seed The Digital Inclusion Strategy In Support Of Phase I Of The Initiative And Designate Five Hundred Thousand Dollars ($500,000) Of The Seed Money To Hire A Consultant To Assist In Developing A Digital Inclusion Strategy, and 4) Waive The advertising, bidding and requests for proposals/qualifications processes And Authorize The City Administrator To Negotiate And Award Contracts Vendor To Implement Phase I Of The Digital Inclusion Strategy And OAK Wifi Public Network Expansion.