

CDBG-CV PHA Broadband Program Guidelines

COVID-19 has elevated the importance of critical broadband infrastructure to facilitate participation in telemedicine, distance learning, and telecommuting in order to maintain social distancing guidelines. Reliable, affordable broadband service is necessary to meet these needs in Tennessee's diverse communities. The CDBG-CV PHA Broadband Program has been created to expand broadband and internet access to unserved and underserved public housing facilities to accommodate the needs created by the COVID-19 pandemic. This program is designed to benefit and address these needs for residents of public housing authority facilities.

US Treasury has defined unserved as lacking access to a wireline connection capable of reliably delivering minimum speeds of 25 Mbps download and 3 Mbps upload. In the Final Rule, Treasury encourages recipients to prioritize projects that are designed to provide service to locations not currently served by a wireline connection that reliably delivers at least 100 Mbps of download speed and 20 Mbps of upload speed.

Basic CDBG Requirements

All standard CDBG rules and requirements must be adhered to under the CDBG-CV PHA Broadband program. The CDBG Program Manual on the TNECD website will serve as the written policies and procedures for this program unless specifically stated otherwise below. The full CDBG Manual is available here: <https://www.tn.gov/ecd/community-development-block-grant/cdbg/cdbg-manual.html>. Below are some of the basic CDBG requirements that must be followed (this list is not exhaustive):

- National Objective
- Environmental Review
- Uniform Relocation Act
- Davis-Bacon Act and other wage-related requirements
- Section 3 – Construction projects over \$200,000
- Procurement standards as dictated by 2 CFR 200 and the Tenn. Code Ann.
- Recordkeeping and financial management requirements as dictated by 2 CFR 200 and 24 CFR 570
- Fair housing and equal opportunity

Public Meeting

As with all CDBG-funded activities, local governments intending to seek funding must hold a public meeting summarizing the funding program, the proposed activity, the amount of the funding being requested, and the amount of any leveraged funding proposed. The local government must allow for local input on the proposed activity and consider alternatives that may be presented at the meeting. Minutes providing an official record must be kept on file and submitted with the application for funding.

Two advertisements of the public meeting in a local newspaper are required. The first advertisement must be published at least 14 days prior to the public meeting. The second advertisement can be between 14 days and the date of the meeting. Additional actions to promote local participation in the public meeting are encouraged.

Eligible Entities

Only local city and county governments are eligible to be direct recipients of these grant funds. TNECD anticipates that local governments will partner with their public housing authorities to execute agreements with telecommunications providers that will ultimately carry out the grant-funded activities. Telecommunications providers may include but are not limited to cable, electric, and telephone cooperatives, fixed wireless, municipal

broadband, and satellite. Participating telecommunications providers must be authorized to provide retail broadband in the area proposed to be served with grant funding. Applications must be joint between a local government/PHA and an eligible telecommunications provider. However, the grant contract will be between the eligible local government and TNECD.

SAM Registration

All local governments and direct subrecipients of the CDBG-CV funds must have an active registration in SAM.gov. Contracts with local governments will not be fully executed unless the local government has an active registration. Subrecipient telecommunications providers will not be able to be reimbursed with grant funds unless they have an active registration.

Eligible Activities

This program is focused solely on connecting or improving the broadband availability and service at public housing authority properties, and all activities must take place on the existing property or within the buildings. The following are grant eligible activities:

- Construction costs associated new installation of service, including, but not limited to, supplies, materials, drops, and inspection.
- Construction costs to connect to service at the edge of the property
- Construction costs associated improved service, including but not limited to supplies, materials, drops, and inspection.
- Equipment and technology to establish new or improved service, including, but not limited to, routers, modems, access points, etc.
- Engineering
- Permits
- Environmental Review
- Grant Administration

The following items are specifically ineligible under this program:

- Recurring service fees
- Costs associated with operations and management
- Buildout of new infrastructure off the premises of PHA property
- Purchase of computers, laptops, notebooks, tablets, phones, etc.

Resolutions

Local governments must pass a resolution stating the intent to apply for CDBG-CV funding. If leverage funds are being committed to the proposed activity by the local government applicant, the public housing authority, or partner provider(s), the amount of leveraged funds and the source of the funding should be included.

National Objective

All CDBG-funded activities must meet a National Objective. For the PHA Broadband program, the National Objective to meet will be “to benefit low and moderate income (LMI) persons”. LMI persons is defined as persons living in a household that is at or below 80% of the area median family income (MFI). The area MFI is generally considered to be at the county level, though in some cases the area may be defined as a larger metropolitan area of multiple counties. For the PHA Broadband program, the LMI National Objective can be met as follows:

LMI Limited Clientele – This type of activity provides the benefit to a specific group of people, in this case the residents of the public housing authority facilities. At least 51% of the residents benefitting from the project must be of LMI households. A list of the benefitting households and whether or not they meet the LMI qualifications. This list can be included on the Beneficiary List tab of the CDBG-CV PHA Broadband Beneficiary Form. Equipment may only be provided to LMI-qualifying households.

PHAs must be able to produce the income documentation to validate this presumption upon request from TNECD or HUD, but it is not required to be submitted with the application.

Application Timeline and Scoring Criteria

Applications will be due by April 29, 2022. Applications will be reviewed within 45 days of the submission deadline. Grant funds must be expended by June 30, 2023. Applications will be scored according to the following criteria:

- Project Need
 - o Narrative
 - o ARC Economic Status of County (as of July 1, 2021)
- Project Impact
 - o Narrative
 - o Number of Units Served
 - o Number of People Served
- Project Feasibility
 - o Narrative
 - o Project timeline
 - o Adoption plans/activities/promotions
 - o Inclusion of income-based service option

Service Interest Surveys

Residents of the proposed units to receive new/improved service should be surveyed to determine the level of interest present. A short CDBG-CV PHA Broadband Service Interest Survey can be downloaded from the CDBG-CV PHA Broadband website. Applicants and providers may to instead use their own survey forms, but all surveys must include the following at a minimum:

- Name of resident
- Address
- Number of people in the household
- Minimum download / upload speeds
- Minimum monthly cost
- Signature line

Applicants and providers may promote subsidy programs that lower the monthly cost.

Agreements/Memorandums of Understanding (MOU)

Any local government partnering with a telecommunications provider must have a written agreement(s) in place that addresses the following minimum criteria:

- Length and terms of the project
- Responsibilities/activities to be completed by each entity
- Plan for compensation to the telecommunications provider
- Reporting requirements
 - o How often
 - o Types of data to report
- Record retention requirements

Recordkeeping

Generally, the recordkeeping requirements laid out in the CDBG Program Manual must be followed. The general rule of thumb is that all documentation related to the grant must be retained. This includes, but is not limited to:

- Public meeting documents
- Applications
- Contracts
- Agreements/MOUs
- Procurement documents and evaluations
- Environmental Review Record
- Architectural / Engineering documents
- Bid documents and evaluations
- Reports
- Approvals from TNECD
- Invoices / Requests for Reimbursement
- LMI documentation

Reimbursement and Accountability

- Funds disbursement will occur on a reimbursable basis.
- Grant closeout will require certification from a PE that build has been completed; that the design and installation conform to all applicable federal, state, and local requirements and standard engineering practice; and that the installed infrastructure will provide the service levels stated in the application.
- If project costs exceed the budget included with the application, grantees will still be required to finish the proposed project without an increase in the grant award
- Grantees are strongly encouraged to offer service at the pricing and speed levels stated in the application for a minimum of 3 years after closeout of the contract. While not a contractual requirement, it's the expectation that the selected applicants will have incorporated these criteria into their business plan.

Reporting

Each grantee that is funded through this program must submit a quarterly report that addresses the following:

- Activities that occurred during the past quarter
- Activities expected to occur in the next quarter
- Issues or delays that have occurred or are anticipated
- Performance measure reporting

Each grantee must submit a final closeout report at the end of the grant which will describe how the project was proposed and how it was completed. The closeout report will also provide beneficiary details and how the LMI National Objective was met. Standardized reporting forms will be provided by TNECD.

Duplication of Benefits

All projects funded with CDBG-CV funds must verify there are no duplications of benefits. The program application asks about duplication of benefits, and the grantee contracts will contain a clause that the grantee confirm the grant funds will not create a duplication of benefits. If any portion of the funds are found to be duplicative, the amount that is determined to be duplicative must be repaid to TNECD. It is strongly recommended that each grantee develop a process to check for potential duplications of benefits by subrecipients.