

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider)
Modifications to the California Advanced) Rulemaking No. 12-10-012
Services Fund.)

**COMMENTS OF TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION
ON PHASE I ISSUES**

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March 16, 2018

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The Tenderloin Neighborhood Development Corporation (TNDC) provides affordable housing and services for over 4,100 low-income residents in 6 San Francisco neighborhoods, building community and promoting equitable access to opportunity and resources. Founded in 1981 by a few people in the Tenderloin District of San Francisco, TNDC now has 39 properties in its property portfolio and employs 319 people, some who live in TNDC affordable housing buildings. In addition to housing development, TNDC focuses on community organizing, urban food growth and land use, and its after-school program with the idea that everyone should have good quality housing and good quality of life in the city they love.

TNDC envisions diverse communities where people with low incomes can fulfill their potential and meet their basic needs, their housing is affordable and near amenities and services enhance the quality of their lives. TNDC stands as a catalyst for advancing community interests and a force for expanding the choices that enhance livability, including housing, employment, education, food, cultural activities, and open spaces. One of the urgent needs the residents we serve face is the lack of broadband access and skills to adopt technology at home. This holds back economic development and it poses difficulties for our residents to get critical information online that they need for schoolwork, looking for services and health-related information, telecommuting,

applying for jobs, etc. TNDC advocates for their residents to be able to get online at home and acquire the technology skills they need to participate in the 21st century economy.

The following are our comments on the Adoption Account:

- Grantmaking based on reimbursement of expenses instead of outcomes is inefficient and will waste precious funds in the Adoption Account for administrative costs. The CPUC should seek the cooperation of the Controller to find a better approach to grant payments based on performance and/ or seek legislation to allow better management.
- Broadband adoption is most effective when incorporated into an existing program managed by an organization (non-profit or government agency) that already interacts with large numbers of low-income households and disadvantaged populations. The CPUC should use caution in awarding grants to “start-ups” that have little experience in Digital Inclusion and accountability for outcomes.
- It is laudable that expedited review is being proposed for smaller grants. However, \$50,000 is a very small amount to accomplish significant impact, particularly if there are metrics other than verifiable subscriptions. A more appropriate level for administrative approval of grants is \$100,000. Further, even for experienced CBOs, it takes time to ramp up activity to have an impact and 1 year often is too short a timeframe. Larger grants with up to 2 years for results will optimize return on investment.
- The CPUC should encourage partnerships between grantees and ISPs to promote existing affordable offers and sign up low-income households, although grantees must be required

to provide information about all available offers to prospective customers. The impact of the Adoption Account grants can be much greater if ISPs significantly increase their media advertising about affordable offers and coordinate activities of CBOs on outreach in-language and in-culture and jointly-convene community connect fairs to sign up eligible households.

- In the spirit of public-private collaboration, the CPUC should urge ISPs to regularly and publicly report their progress on signing up low-income households in California for their available offers. Today there is no way to determine what is working and where to promote affordable offers and to target grants from the Adoption Account. Public reporting of progress is critical for transparency and accountability.
- It is a good practice to require a work plan and budget from applicants in order to evaluate the viability and practicality of the proposed strategies and activities to produce stated outcomes. However, the CPUC should fund grants based on performance (as stated above) and find an arrangement with the Controller to accommodate a performance-based payments, even seeking legislative authority if necessary. A grantee with the discipline and capacity to develop specified outcomes for a set amount per deliverable usually also has the management skills to prepare a coherent work plan and logical budget. If grant payments are made based on documented outcomes, then the process can be much more efficient with greater transparency and accountability. One approach to performance-based grantmaking that also is sensitive to the cash-flow challenges for many CBOs is to provide the first quarterly payment at the time the grant agreement is signed, the second quarterly

payment based on good-faith progress in implementing the work plan and meeting milestones, and quarterly payments thereafter pursuant to performance reconciled to funding per number of agreed-upon outcomes. It also is prudent to hold a portion of the last payment until a final report is submitted and accepted by the CPUC.

- Requiring a match is a good way to assure real commitment by the applicant and 15% is rather modest, so that match amount should not be that big a hurdle for grantees. Grantees should be allowed to meet the 15% required match by dedicated personnel that are supported by other funds. The CPUC should reach out to other foundations to explore and invite a pool of matching funds.
- The CPUC should convene workshops for grantees as a “learning community” to sharing of best practices and solving of common problems, peer support and coaching, and mutual accountability for results. This practice and discipline by the CPUC will ensure better overall results and greater impact from the Adoption Account.

The following are our comments on the Public Housing Account:

- The majority of publicly-subsidized housing organizations opposed the provision in AB1665 that made SB745 retroactive, thereby nullifying the pending infrastructure applications from CBOs for funding from the Public Housing Account. Assemblymember Eduardo Garcia (in cooperation with Senator Steve Bradford, author of AB1299 that established the Public Housing Account) agreed to convene a stakeholder process to address the problems in AB1665 and explore how to best meet the needs of the most

economically-disadvantaged households in California. The CPUC should encourage ISPs to work in collaboration with affordable housing leaders to market their affordable offers and participate as a stakeholder in that process coordinated by Assemblymember Garcia. The CPUC also should take a strong policy position in favor of getting all residents in publicly-subsidized multi-unit attached housing complexes online as a strategy to tackle poverty.

- The CPUC should consider allowing some of the funds in the Public Housing Account for adoption to be used to determine the status of adoption in all the complexes that were the subject of the previously-submitted infrastructure grant applications to get a better understanding of the barriers to broadband adoption in publicly-subsidized housing. Data collected previously and analyzed by the California Emerging Technology Fund (CETF) and the CPUC indicate that only about 20-25% of residents in publicly-subsidized multi-unit attached housing subscribe to market-rate offers, most are not aware of available affordable offers, and many cannot afford even the \$10-\$15 per month discounted offers if they did know about them. Further, the ISPs are not actively marketing their affordable offer in these kinds of housing complexes.

WHEREFORE, Tenderloin Neighborhood Development Corporation respectfully requests the Commission amend its CASF proposals contained in Appendix B as set forth above in these comments.

Respectfully submitted,

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