

Broadband Connectivity in Affordable Housing

Policy Recommendations

Most of us use the Internet in all facets of our lives: for work, education, medical care, entertainment, shopping, and innumerable daily tasks. Having a reliable broadband connection at home makes all sorts of tasks easier, faster, and cheaper. Yet far too many low-income households do not have even a basic broadband connection at home, as

we describe in the accompanying research brief, “The Connectivity Gap: The Internet is Still Out of Reach for Many Low-Income Renters.” Making sure all households have an affordable connection plus the computing device and the digital literacy to best use it will create new economic opportunities: for households moving toward self sufficiency, for kids achieving in school, for businesses reaching new markets, and for communities building a higher-skilled workforce.



To help achieve affordable broadband connectivity for all, the National Housing Conference (NHC) convened a Connectivity Working Group to recommend policy changes. The group draws from affordable housing developers, public agencies, policy experts, capital providers, national intermediaries, and more, all committed to the shared mission of closing the digital divide for low-income people. The recommendations presented here draw on the expertise of the Connectivity Working Group, the policy briefs from NHC’s Center for Housing Policy, and advice from other stakeholders. We recognize that achieving broadband connectivity for all will require action by many, including Congress, the President, the Federal Communications Commission (FCC), the Department of Housing and Urban Development (HUD), the Department of Agriculture, Internet service providers, state and local governments, and more. To ensure that the affordable housing community does its part, we recommend:

- 1. Set a national goal for connectivity in HUD and USDA properties as part of a national connectivity goal.** With a strong federal commitment of new resources and partnerships with the private sector, we believe all HUD-assisted and USDA-assisted rental housing properties could have affordable, cost-effective, basic broadband connectivity for all residents by 2020. There are innovative solutions in public housing and privately-owned assisted housing that we could encourage others to adopt. If states commit to this goal as well, we could also reach all Low Income Housing Tax Credit properties. Aligning broadband connectivity with existing initiatives such as Choice Neighborhoods and Promise Zones may help pave the way, but achieving the national goal will ultimately require a concerted effort nationwide.

2. Implement digital literacy and equipment support into broadband provision. For access to broadband to transform lives, it must be more than just a plug in the wall or a wireless access point. Low-income residents need access to reliable equipment (particularly computers or tablets, not just smartphones, for a full range of education and work-related activities) and training in how to make the most of it. Successful examples of these solutions combine small contributions from residents with grants and owner contributions so that all share a commitment to the success of the effort.

3. Treat broadband as an eligible expenditure in affordable rental housing. As pilot programs are demonstrating, basic broadband provided at the property level can serve residents effectively while containing costs. HUD should issue guidance allowing properties to use available funds to implement cost-effective connectivity for residents and should support pilot programs to test different implementation methods. Building on these initial steps, HUD should explore treating cost-effective basic broadband as a standard operating cost for affordable housing properties. This would affect all HUD properties, but would be most meaningful for those using a budget-based rent calculation, such as Section 202, some project-based Section 8, Section 811, and others. For it to meaningfully affect public housing, HUD would need to revise additional guidance possibly through an “add-on” expense under the asset management formula in sec. 990.190. Ultimately, to implement basic broadband widely, Congress would need to provide additional funds, per recommendation 5 below.

4. Support broadband in affordable housing through FCC actions. The Federal Communications Commission (FCC) is uniquely positioned to reduce costs of broadband service for low-income households, encourage public-private partnerships to serve low-income communities, and make broadband part of coordinated neighborhood transformation strategies. For example, as the FCC considers the Comcast-Time Warner Cable merger, it should require both companies to:

a. Work with HUD, state and local housing agencies, and affordable housing stakeholders to implement broadband access in publicly-subsidized housing developments including public housing, Section 8, Low Income Housing Tax Credit, and others.

b. Contribute to independent funds to support broadband adoption at home and implement strategies to improve and expand Comcast’s Internet Essentials program to all low-income families and individuals.

c. Upgrade infrastructure in underserved areas and extend into unserved communities to improve broadband deployment, with special attention to low-income neighborhoods and multifamily buildings serving households below median income.

d. Ensure that provider-supported connectivity programs reach all people in need, especially seniors and people with disabilities who may not be captured by school-related criteria for eligibility.

The FCC should consider these aspects in future mergers and consolidations that require approval.

5. Provide federal funds to support broadband connectivity in affordable housing. Existing resources are not sufficient to accomplish all that is needed, including capital installation, ongoing operation, equipment, digital literacy training, and technical support. As part of annual appropriations, Congress should allocate additional funding for public and assisted housing to pay for broadband costs in property operations, as well as large-scale pilots to refine best practices for implementing broadband at a property level. Tax incentives are an alternative mechanism for defraying the cost of broadband connectivity in affordable housing, if properly structured in a pay-for-performance model and not diverted from existing affordable housing programs.

6. Use public resources to leverage private resources. Private businesses can be part of the solution to the digital divide, through both corporate philanthropy and private investment for business purposes at the large and small scale. In-home connectivity can make property management more efficient for multifamily housing, deliver health care services efficiently, and allow telecommuting for workers. It can also bring low-income people into the economic mainstream as workers, consumers, and entrepreneurs. Scarce public resources should therefore leverage private contributions, of which there are many models, including community development financial institutions, tax credit incentives, loan pools, and in-kind contributions. Examples include Google Fiber projects in Austin and Comcast’s Internet Essentials program.

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