

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video and Market Branch**

**RESOLUTION T-17639
March 28, 2019**

RESOLUTION

Resolution T-17639: Rescinds funding for five previously awarded California Advanced Services Fund (CASF) Broadband Public Housing Account (BPHA) infrastructure projects listed in Resolutions¹ T-17506 Brierwood Court, T-17515 Monticelli, Rancho Park, Royal Court, and T-17514 Rolling Hills Apartments.

I. Summary

This Resolution rescinds CASF funding for five previously awarded BPHA Infrastructure projects approved by Resolutions T-17506, T-17515, and T-17514. These rescissions would relieve these CASF grant fund obligations totaling \$163,173. The rescinded projects are Better Opportunity Builders' Brierwood project, Eden Housing's Monticelli, Rancho Park, and Royal Court projects, and People's Self Help Housing's (PSHH) Rolling Hills Apartments project.

II. Background

On January 28, 2016, the Commission adopted Resolution T-17506, which approved a total of \$47,730 from the BPHA to Better Opportunity Builders for its Brierwood project to build a broadband infrastructure network capable of providing a minimum of 6 megabits per second (mbps) download and 1.5 mbps upload speed to 50 residential units.

On June 9, 2016, in Resolution T-17515, the Commission awarded up to a total of \$66,417 to Eden Housing for its Monticelli, Rancho Park, and Royal Court projects to

¹ Resolutions T-17506, T-17515, and T-17514 awarded CASF BPHA grants to several different grantees. This resolution only affects the portion of Resolutions T-17506, T-17515, and T-17514 that awarded grants to Better Opportunity Builders' Brierwood project, Eden Housing's Monticelli, Rancho Park, and Royal Court projects, and People's Self Help Housing's Rolling Hills Apartments project.

install a low-cost wireless Wi-Fi network consisting of gateway routers and wireless access point repeaters providing a minimum of 6 mbps download and 1.5 mbps upload speed to 161 residential units.

On December 1, 2016, in Resolution T-17514, the Commission awarded \$49,025 to PSHH for its Rolling Hills Apartments project to install a low-cost wireless Wi-Fi network consisting of gateway routers and wireless access point repeaters providing a minimum of 6 mbps download and 1.5 mbps upload speed to 53 residential units.

On July 23, 2018, Communications Division (CD) approved and paid PSHH's first payment request for \$12,256.25 for work completing 25% of the project consisting of hardware, software, engineering design, and labor.

III. Discussion

Subsequent to the grants authorized in Resolutions T-17506, T-17515, and T-17514 the five projects were not timely completed for the following reasons:

A. Recipient cannot obtain an affordable ISP to connect its project

Resolution T-17506—Brierwood Project:

On July 6, 2016, Fresno Housing² submitted a letter to the CD providing notice that Better Opportunity Builders was having problems securing an affordable internet service provider (ISP) to provide internet service to the Brierwood project. In May 2017, Fresno Housing requested an extension for the Brierwood project, and CD's Director granted the extension to complete the project by March 1, 2018. On March 28, 2018, CD received a second extension request for the Brierwood project without a date for completion of the project; therefore, no extension was granted. On August 16, 2018, Fresno Housing sent a letter to the CD stating, "we have determined it will be infeasible to connect" the Brierwood project. CD confirmed with Fresno Housing that a suitable internet service provider could not be retained. On July 6, 2016, Fresno Housing provided Staff with a list of six potential internet providers along with quotes it received to provide internet service and stated the quotes are ten-fold more than what they had in their authorized budget.

² Fresno Housing Authority submitted extension requests on behalf of its affiliate Better Opportunity Builders.

B. Recipient unable to complete project as approved

Resolution T-17515—Monticelli, Rancho Park, Royal Court Projects:

On March 27, 2017, Eden Housing submitted a letter requesting an extension for the Monticeilli, Rancho Park and Royal Court projects due to challenges in acquiring bandwidth from multiple ISPs. CD's Director granted the extension for these projects to be completed by December 31, 2017. On October 25, 2017, Eden housing submitted a second extension request, claiming the project may be completed by the deadline but wanted more time to address any challenges that may arise in securing an ISP. CD's Director granted the second extension to complete the projects by June 30, 2018. On July 12, 2018, CD received a third extension request stating the three projects were still under construction or rehabilitation. On August 6, 2018, CD's Director denied the third extension request. CD approved the last extension with the expectation that the projects would be timely completed by June 30, 2018. Eden Housing, however, did not disclose the projects were still under construction until July 12, 2018. An ISP had not been secured, the projects were still under construction, and no deadline was given for the projects to be completed, which indicated that they would not have been able to complete the projects timely if at all.

C. Recipient does not want to proceed with project

Resolution T-17514—Rolling Hills Apartments Project:

On June 22, 2018, PSHH submitted a quarterly progress report for partial completion of the Rolling Hills project and requested a payment of \$12,256.25. On July 23, 2018, CD approved the request and paid PSHH \$12,256.25. On November 14, 2018, PSHH informed CD that it would not be completing the Rolling Hills Apartments project due to electrical issues which were too expensive to resolve and requested that the project be rescinded. PSHH returned CASF grant payment of \$12,256.25, which was received on December 21, 2018.

IV. Staff Recommendation

CD staff recommends that these five projects, approved in Resolutions T-17506, T-17515, and T-17514, be rescinded. The total CASF grant funds that CD staff would un-

encumber and de-obligate pursuant to its budget implementation is \$163,173, as shown in the table below:

Res cinded monies revert to the program	Rescinded Project Grantee	Project Name	Date Approved	Grant Amount	Resolution Number
	Fresno Housing/Better Opportunity Builders	Brierwood Courts	1/28/2016	\$47,730.00	T-17506
	Eden Housing	Monticelli	6/9/2016	\$23,195.50	T-17515
	Eden Housing	Rancho Park	6/9/2016	\$24,194.50	T-17515
	Eden Housing	Royal Court	6/9/2016	\$19,027.50	T-17515
	Peoples' Self Help	Rolling Hills Apartments	12/1/2016	\$49,025.00	T-17514
	Total Rescinded Grant Amount			\$163,172.50	

gram budget and become available to other potential eligible CASF applicants.

V. Safety Considerations

No safety considerations are associated with this resolution.

VI. Comments

In compliance with Public Utilities Code section 311(g)(1), a notice letter was emailed on February , 2019, informing all parties on the CASF Distribution List of the availability of this Resolution for public comments at the Commission's document website at <http://www.cpuc.ca.gov/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

VII. Findings

1. On August 16, 2018, Fresno Housing sent a letter to CD stating it could not complete the Brierwood project due to its inability to secure an internet service provider, and that it would be infeasible to connect the project.

2. On August 6, 2018, CD denied Eden Housing's third extension request dated July 12, 2018 because the projects had not been timely completed according to the prior authorized extension requests and because the third request was not timely filed.
3. On November 14, 2018, PSHH notified CD that it would not be completing the Rolling Hills Apartments project due to electrical issues and requested that the project be rescinded.
4. On December 21, 2018, PSHH returned all monies it received pursuant to the CASF grant, in the amount of \$12,256.25.
5. CD recommends that the Commission rescind CASF funding for the five specified projects from Resolutions T-17506, T-17515, and T-17514.
6. In accordance with any CASF grant rescission, CD staff would disencumber the amount of \$163,173 in grant funding allocated to the five projects and make the funds available for future CASF awards.
7. No safety impacts are expected as a result of this resolution.
8. A notice letter was e-mailed on February 25, 2019, informing parties on the CASF Distribution List of the availability of a draft of this Resolution for public comments on the Commission's website <http://www.cpuc.ca.gov/documents/>. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website.

THEREFORE, IT IS ORDERED that:

1. The portion of Resolution T-17506, pertaining to Better Opportunity Builders' Brierwood Courts project is hereby rescinded.
2. The portion of Resolution T-17515, pertaining to Eden Housing's three projects: Monticelli, Rancho Park, and Royal Court, is hereby rescinded.
3. The portion of Resolution T-17514, pertaining to PSHH's Rolling Hills Apartments project is hereby rescinded.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 28, 2019. The following Commissioners approved it:

ALICE STEBBINS
Executive Director