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Digital equity in affordable housing

KPMG's approach to digital equity
within affordable housing

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Why is housing stability so important

Digital equity is critical to support resilience throughout communities, especially historically disenfranchised communities and the low-income households. Exacerbated during the pandemic, communities have seen firsthand how access to reliable broadband can enable remote employment activities, access to employment, identification of healthcare resources (e.g., telehealth), and enabling educational opportunities. In Public Housing Authorities (PHAs), the need for digital equity is dire and resources limited. Within our nation's 3,300 PHAs, reside 1.2 million low-income households that rely on digital connectivity for a variety needs and essential supports[1]. This paper will explore the recent funding available to PHAs through the Broadband Equity, Access, and Deployment (BEAD) and the Digital Equity Act (DEA), as well as considerations to support effective implementation.

Key challenges to digital equity in public housing

Resident affordability: Providing available resources

Many people living in public housing may not have the financial means to pay for a broadband connection. While the income of people living in PHAs can vary widely by location, PHAs[2] are required to target at least 40 percent of new admissions to households that meet the U.S. Department of Housing and Urban Development (HUD) definition of extremely low income (0 to 30 percent of area media income[2]). Comparatively, the cost of broadband has been steadily increasing, with service alone ranging from under $50 to nearly $80, not including hidden fees and installation costs[3]. Specific government programs are aimed at addressing this, such as the Affordable Connectivity Program (ACP) which provides eligible households with a $50 monthly internet service discount or up to $75 for households located on Tribal lands, as well as a one-time discount of up to $100 for a laptop or tablet to help with remote learning or work[4]. While these government programs can partially subsidize costs for low-income households, they often may not be sufficient to offset costs for broadband or cover the cost of ongoing broadband connection.

Resident accessibility: Infrastructure readiness

Implementing broadband networks is an expensive task. Considering most broadband implementations have been driven by market demand and supported by private sector telephone and cable companies, many investments into broadband have historically targeted areas with higher rates of return. In some cases, PHAs can be in areas where there is limited broadband coverage or poor signal strength, making it difficult to provide reliable connectivity to residents. Additionally, PHAs have historically had to prioritize any infrastructure investments to address aging public housing stock and assets to support the safety and well-being of residents, leaving limited options to expand community broadband capabilities.

Resident adoption and trust: User-focused implementation

A critical success factor to effective broadband implementation is the ability for residents to have the digital skills necessary to effectively leverage broadband capabilities and to navigate language barriers. This includes basic computer skills, how to navigate accessing resources, and having technology and support inclusive of language needs. Additionally, it is important for members of the community to trust the platforms they're accessing. While many Americans use the internet regularly and depend on it for a variety of tasks, there is still some skepticism and concern about online security. PHA residents share this concern and may be hesitant to use broadband services due to concerns about privacy and security. This can include concerns about identity theft, cyberbullying, and other online threats, leading to many limiting their online activity.

80%

Residents living in PHAs typically earn no more than area median income (AMI), and many public housing residents have incomes significantly lower than this threshold[5].

According to a 2019 Pew Research Center survey,

about two-thirds of Americans (64%) have experienced a major data breach and roughly half the respondents (49 percent) said they are not confident in their ability to maintain privacy online[6].

Connecting at home: Leading practices and approaches to implementing broadband in public housing authorities

To overcome these challenges, it is important to develop comprehensive strategies that address affordability, infrastructure, digital literacy, language barriers, and privacy and security concerns. The below summarizes these key approaches.

Use data to assess feasibility and drive design

The Broadband Equity, Access, and Deployment (BEAD) Program, provides funding to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs in all 50 states, Washington D.C., Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands[7]. Governments can use BEAD program funds to conduct feasibility studies on broadband implementation in a particular area. These studies provide important information on the design, cost, and coverage issues of broadband deployment. Completing a broadband feasibility study involves researching and analyzing different aspects of a proposed broadband project to determine its viability.

Assess community needs

The first step in completing a broadband feasibility study is to assess community needs. Information about the community can be gathered by conducting surveys, holding public meetings, and speaking with community leaders. PHAs can start by assessing the availability and affordability of broadband services in the community and evaluating whether the program is reaching underserved and unserved areas. Additionally, they can use resident data to evaluate whether residents are adopting broadband services at the same rates across different demographic groups. This can be measured by assessing the number of households that are subscribing to broadband services and evaluating whether there are any disparities in adoption rates by race, ethnicity, income level, or other factors.

Evaluate existing infrastructure

Evaluate the existing infrastructure in the area where the broadband project is proposed. For example, assess if existing fiber optic cables or conduits are available, the availability of digital subscriber line (DSL) connections, and other key infrastructure areas.

Conduct market analysis

Conducting an analysis of the market to determine the level of competition and what prices are charged for similar services to help identify areas of opportunity.

Evaluate costs and identify areas of potential cost-effectiveness

Calculate the initial setup, operational, and maintenance costs of the broadband program. Cost-effectiveness can potentially be achieved through infrastructure sharing among other service providers.

Strategize around how to partner with internet service providers

Leveraging BEAD program funds to implement public-private partnerships can increase the speed of broadband deployment and access to underserved areas. Governments can partner with internet service providers (ISPs) to support broadband implementation by implementing policies and programs that incentivize ISPs to expand their services to underserved areas. Specifically, governments can:

- Provide grants to incentivize ISPs to provide coverage in underdeveloped or rural areas

- Offer tax credits for ISPs to offset the costs associated with expanding broadband infrastructure in underserved regions

- Form partnerships with ISPs to invest in broadband infrastructure together

- Create an environment that makes it easier for ISPs to deploy broadband infrastructure by streamlining regulations and permitting processes

- Introduce policies that promote competition among ISPs, which can lead to the expansion of broadband access, as well as better and more affordable services for consumers

Make your program measurable so it can be manageable

Success measurement of a broadband program for PHAs is important to determine if the broadband program meets its objectives and if it has a positive impact on the community. Below are two key indicators that can be used to measure the success of a broadband program for low-income communities:

Increased access and adoption

The number of homes and households that have access to broadband services within the community before and after the program can be used as an indicator of success. This should be measured by looking at data across various demographics such as age, gender, household size, and race, as well as other areas such as the number of students that have access to affordable broadband to pursue and supplement their education.

Social and economic impact

The contribution of broadband services to the local economy can be analyzed, including any revenue increases of small businesses post-deployment. This can be measured by assessing the types of applications and services that residents are using such as online education, telehealth, and remote work. Additionally, governments can evaluate the impact of the broadband program on residents' lives. This can be measured by assessing whether the program is improving access to healthcare, education, and job opportunities, as well as improving quality of life for residents in the targeted area.

KPMG broadband services for public housing
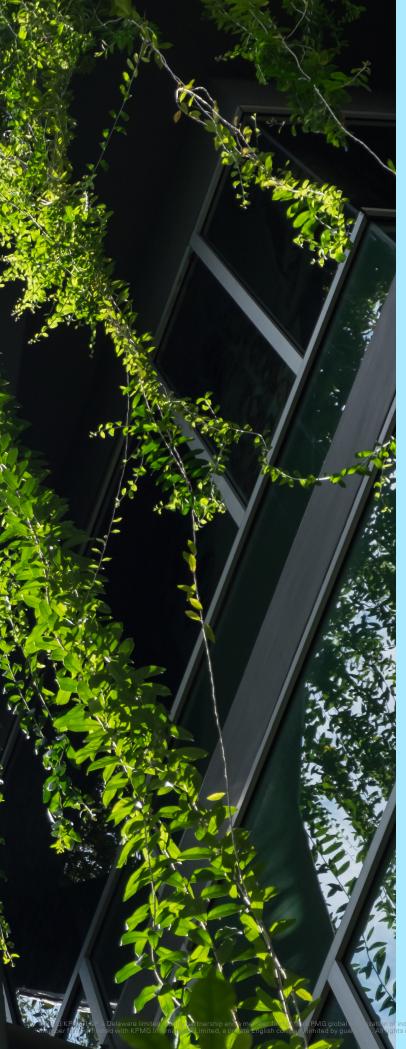
KPMG is ready to assist

KPMG is a leader in providing strategic advisory and technical assistance in the housing, grants management, and broadband domains. Below is a high-level summary of our core capabilities:

- **KPMG broadband experience in government.** Preparing PHA entities for unprecedented digital and technological disruption requires deep experience and a multidisciplinary approach. With our proficiency in both the public and private sector infrastructure and technology environments, KPMG can help. We have worked with more than a dozen state broadband offices to plan, procure, and implement broadband infrastructures utilizing advanced procurement methods and leading practices and insights in federal funding administration, market conditions, and project implementations. We work to help enable PHA entities to make better, more informed decisions and foster strategic partnerships.

- **KPMG housing and government services:** KPMG has a broad range of experience in public housing, housing, and homelessness. We are committed to working with clients to create sustainable solutions that address the underlying causes of homelessness and support the individuals and families affected by this issue. Additionally, we realize mitigating issues in digital equity within public housing requires knowledge and experience across all of health and human services. KPMG has extensive experience in the health and human services field, allowing for a detailed view of how to appropriately solution digital equity challenges across all of health and human services.

- **KPMG compliance and grants management services:** KPMG can support state and local governments with regulatory compliance for grants through grant compliance assessments, compliance monitoring, policies and procedures development, training and education, and audit support. KPMG professionals' knowledge and experience in grant management and compliance can help governments to better navigate regulatory compliance requirements and mitigate risk.

Let's talk through it!

We'd welcome the opportunity to talk to you as you embark on your affordable housing broadband journey!

Cindy Cohen
Principal
Government Solutions
E: cindycohen@kpmg.com

Rory Costello
Principal
Regulatory Compliance
E: rcostello@kpmg.com

Prakash Ganesh
Managing Director
Regulatory Compliance
E: prakashganesh@kpmg.com

Sarah Rodriguez
Director
Government Solutions
E: sbrodriguez@kpmg.com

Raj Shelat
Director
Infrastructure & Projects Advisory
E: rajshelat@kpmg.com

Samuel Cowles
Manager
Regulatory Compliance
E: scowles@kpmg.com

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Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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