



### Catalyzing your initiative

Securing funds to help residents obtain computers and tablets and connect to the Internet at home must be at the forefront of your community's strategy to narrow the digital divide.

Universally, successful ConnectHome communities recognize the **need to identify funding sources**, obtain financial commitments from both the public and private sectors, and mobilize philanthropic partners.

Funds are important to cover not only costs associated with connectivity, devices, and digital literacy training, but also the costs of a dedicated staff to manage a successful digital inclusion program.

## Begin early and focus on demonstrated needs

Begin exploring fundraising opportunities early on. Securing dedicated funding for your community's efforts early builds a strong foundation to achieve success.

Start by assessing your community's funding needs. Consider how many residents are currently unconnected, and your goals for connecting residents, providing devices, and hosting training. Be sure to consider the costs of staff time that are needed to coordinate digital inclusion efforts. Incorporate this needs assessment in your funding requests.

### TIPS: Securing funds

**Involve key partners:** All of your key partners should be aware of your fundraising efforts and involved in some way.

**Identify a lead:** To foster strong coordination and ensure fundraising receives the sustained attention needed, identify a fundraising "quarterback," who will lead your efforts. Identify this quarterback before the end of your first stakeholder convening, if not before.

**Keep sustainability in mind:** A financial strategy that makes improved digital inclusion sustainable recognizes that one-time investments are not sufficient on their own. Whether by creating an ongoing budget item or transitioning residents to pay on their own, think about how to make your strategy fiscally sustainable.

**Celebrate and share your success!** Share with funders stories and metrics that demonstrate your success, and be sure to recognize their impact.

# Playbook 9: Securing Funds

## SOURCES of funds for digital inclusion

### 1: Public housing agency funds

Review your housing organization's funds and consult with legal counsel to determine:

1. Are there **Capital or Operating Funds** that could be allocated for this work?
  - **Wiring for Individual Housing Units:** Neither Capital Funds nor Operating Funds can be used to pay for a resident's in-unit Internet subscription. However, the Capital Fund can be used to pay for the costs of making a unit Internet-ready.
  - **Computer Labs & Training:** Capital Funds can be used to establish and renovate a public housing development's computer lab, while Operating Funds can be used to cover the ongoing costs of operating the lab, including for staffing and digital literacy trainings.
2. Are other sources of funding available through the programs below?
  - Economic Opportunities (Section 3) Funds
  - Tenant Participation Funds
3. Does your housing organization or a partner organization have an affiliated nonprofit with federally-recognized 501(c)(3) status or state-recognized status?

## Case Study

*Los Angeles, CA*

### Raising funds through a nonprofit arm

The Housing Authority of the City of Los Angeles and its nonprofit arm, Kids Progress Inc., partnered to conduct a phone and mail campaign to raise money from donors for their community's ConnectHome initiative.

The mailer provided different options for sponsorship, indicating how many families would be connected at each level (for example: "\$10,000 will connect 68 families for four years").

The campaign raised over \$66,000 from donors to purchase hotspots from Sprint that were then distributed to public housing households to provide them with free wireless Internet.

## TIPS →

### Don't start from scratch

Consult this list of federal grants for broadband-related activities:

*BroadbandUSA: Guide to Federal Funding of Broadband Projects.*

### Leverage CDBG funds

In most cities and towns, a community development or planning department oversees CDBG funds. In unincorporated areas and special districts, the county's office of community development or planning oversees CDBG funds. To find out more about how CDBG funds are used in your community, contact your local grantee:

[hudexchange.info/grantees](http://hudexchange.info/grantees)

## TIP →

### Be creative

Even where funds are not specifically dedicated for Internet adoption, communities have leveraged workforce development and adult education funds to provide digital literacy training.

## 2: Federal funds

The federal government has many grant programs that provide funding for a range of broadband-related activities. The Federal Communications Commission, the U.S. Department of Agriculture, the U.S. Department of Commerce, and HUD are some of the agencies offering grants.

One of the most important sources of potential funding is the federal Lifeline Program, which is operated by the Universal Service Administrative Corporation and provides a discount on phone service to low-income Americans. In 2016, the program was expanded. It now offers a \$9.25 per month discount on Internet service from participating carriers (the discount rises up to \$34.25 per month in Tribal areas). **All HUD-assisted households are eligible for the discount.** Check whether your local Internet Service Provider participates in the program.

HUD's Community Development Block Grants (CDBG) and the related Section 108 Loan Guarantee Program promote community economic development, with a special focus on low- and moderate-income persons. Eligible uses include broadband infrastructure development. HUD's Broadband Infrastructure FAQs offer further guidance:

[hudexchange.info/resource/4891/cdbg-broadband-infrastructure-faqs](http://hudexchange.info/resource/4891/cdbg-broadband-infrastructure-faqs)

### Additional funding for Tribal communities

HUD has issued guidance explaining how funds allocated through the Indian Housing Block Grant (IHBG), Title VI of the Native American Housing Assistance and Self Determination Act, and the Indian Community Development Block Grant (ICDBG) Program can be used to develop the necessary infrastructure for broadband initiatives. For more information, see *Program Guidance 2016-01, "Using IHBG, Title VI, and ICDBG to Fund Broadband Activities."*

## 3: State and local funds

Some states and cities have dedicated funds to build broadband infrastructure, provide digital literacy training, and support other initiatives to narrow the digital divide.

For example, the California Emerging Technology Fund (CETF) is a nonprofit corporation that makes investments to accelerate the deployment and adoption of broadband to underserved communities and populations. CETF grants helped fund digital inclusion projects in two ConnectHome pilot communities, Fresno and Los Angeles.

# Playbook 9: Securing Funds

## Case Study

*Seattle, WA*

### Building upon existing funding schemes

Instead of reinventing the wheel, Seattle's ConnectHome fundraising effort built upon the city's existing Digital Equity Initiative, which aims to ensure all Seattle residents have access to and proficiency using Internet-based technology. Leveraging contacts from that initiative, the city helped the Seattle Housing Authority (SHA) secure a large grant from Google to pay for low-cost Internet subscriptions for unconnected SHA residents.

## 4: Philanthropic organizations

A wide range of foundations at the local, state, and national levels have designated digital inclusion as a funding priority. Resources to help you get started include:

- **The Foundation Center:** Search their database of funders ([foundationcenter.org](http://foundationcenter.org)). The full database can be accessed from more than 450 locations across the country ([grantspace.org](http://grantspace.org)).
- **Professional and College Alumni Associations:** Local chapters may be a source of funding, scholarships, and volunteers.
- **Benevity:** Connects nonprofits to corporate giving ([causes.benevity.org](http://causes.benevity.org)).

## Case Study

*Memphis, TN*

### The Women's Foundation

In early 2016, the ConnectHome coalition in Memphis was interested in partnering with T-Mobile to supply hundreds of its families with Internet-enabled tablets. Because T-Mobile was donating the tablets, funding was needed only to pay for Internet service during the first year. However, neither the housing authority nor the City had the funds to do so.

After the coalition reached out to local donors, the Women's Foundation for a Greater Memphis answered the call. It provided \$50,000 to cover the first year of connectivity for households receiving the tablets, and committed to fund more in the future.

## Case Study

*Nashville-Davidson  
County, TN*

### Matching funds

The Nashville Digital Inclusion Fund launched in 2015, involving a diverse set of community organizations, including: Metropolitan Government of Nashville-Davidson County, Google, Comcast, the James Stephen Turner Family Foundation, Vanderbilt University Medical Center, and Dell. Administered by the Community Foundation of Middle Tennessee, the fund is designed to provide free or low-cost Internet access, computers, devices, training and support to Nashville citizens.

The Metropolitan Government made an initial \$100,000 investment in the fund. After the Mayor issued a matching challenge to the digital inclusion community, Google, Comcast, and the James Stephen Turner Family Foundation each matched Metro's donation, bringing the fund's balance to \$400,000.

The Community Foundation of Middle Tennessee invests the fund's assets and makes grants to qualified organizations to work on broadening digital access, hardware and training. The local housing authority applied to the fund and has been receiving hundreds of computers for distribution to public housing residents.

## 5: Corporate social responsibility

Consider both local and national corporations with community investment goals and philanthropic missions that align with your efforts. Many corporations offer sponsorships and employee volunteer opportunities. Also consider:

- **Chambers of Commerce:** Conduct local philanthropic activities and provide connections to business members.
- **Asset Building Coalitions:** Administer large pools of funds to offer grant opportunities, often including investments in education.
- **Community Banks:** Provide resources that qualify for Community Reinvestment Act (CRA) credit.

# Playbook 9: Securing Funds

## Case Study

Rockford, IL

### Unlocking CRA funding

The **Community Reinvestment Act** encourages banks to help meet the credit needs of the communities they serve, including low- and moderate-income neighborhoods. Banks can meet their CRA requirements by supporting broadband projects, including both infrastructure and those related to the “three-legged” stool of access, devices, and training.

Using guidance from the Federal Reserve Bank, the executive director of the Rockford Housing Authority developed and submitted a CRA proposal to local and regional banks. The proposal outlines the specific ways local banks can support the housing authority’s ConnectHome efforts, obtain CRA credit for doing so, and gain access to a new customer base.

For more information on using the CRA for broadband projects, see *Closing the Digital Divide: A Framework for Meeting CRA Obligations (2016)*.

## 6: Charitable donors

Consider reaching out to local business leaders and past contributors. Additionally, you can launch an online crowdfunding campaign, promoted through social media. Volunteer organizations can donate funds and staff resources to support your fundraising efforts.

