



**CALIFORNIA EMERGING TECHNOLOGY FUND
PROPOSED POLICY FOR AFFORDABLE SMART HOUSING
April 2009**

Policy Goal

A powerful strategy to reach disadvantaged Californians is to provide broadband connectivity in all publicly-supported housing. If the State of California, local governments and redevelopment agencies adopted “smart housing” policies requiring broadband as part of construction whenever public funds are used to build housing, the quest to close the Digital Divide would be measurably advanced. The purpose of this document is to propose a “smart housing” policy for the State of California that will enhance the abilities and opportunities for residents in publicly-supported affordable housing to become self-sufficient.

Statewide, in 2012 only 60% of households with an average income of \$40,000 per year or less use broadband compared to 91% of higher-income households. Residents in low-income households frequently state that the cost of high-speed Internet access (which is the basic definition of broadband service) is a significant barrier to adopting the technology. The proposed definition of Affordable Smart Housing is intended to leverage the combined buying power of each household within an affordable housing development project by aggregating all Internet access onto a single property-owned network, and reduce the cost burden to all users. The network also could be used for legacy and next-generation services, permitting the property manager to offer cost-effective advanced services not typically available to the very low and low-income households.

Affordable Smart Housing

Affordable Smart Housing is defined as a publicly-funded housing development project that possesses an independent Advanced Communications Network to drive economies of scale that can result in a significantly-reduced cost basis for residents. An Advanced Communications Network in an Affordable Smart Housing development project is in addition to the standard cables and infrastructure required for power, television and telephone service. Approximately 200,000 publicly-subsidized housing units in California remain to be connected via broadband that is affordable to lower-income residents and/or affordable housing builders.

Advanced Communications Network

An Advanced Communications Network is broadband infrastructure that, at a minimum, makes available affordable market-comparable high-speed Internet access service to all units via the aggregation and consolidation of service across the property. Additional services that may be supported by such a network include: traditional telephone; next generation telephone; videoconference; television; next generation television; mobile data communication across the property; and home security monitoring. If multiple services are offered via an Advanced Communications Network, residents will need both bundled and “a la carte” options.