Grant Program Guidelines

New York State's Affordable Housing Connectivity Program (AHCP) and Related Initiatives

Initial Publication: April 2023

Revised – June 2026

State of New York

Kathy Hochul, Governor

Empire State Development

ConnectALL Office

TABLE OF CONTENTS

A. Definitions
B. Statutory Authority
C. Program Background
D. Program Administration
E. Eligible Applicants
F. Program Assistance
G. Eligible Uses
H. Ineligible Uses
I. Application and Selection Process
J. Application Requirements
K. Evaluation Criteria
L. Compliance, Monitoring, and Reporting Requirements

A. Definitions

In these guidelines, the terms below shall have the following meanings:

- "Affordable Connectivity Program" (ACP) shall mean the Federal Communications Commission's federal subsidy program which provides a monthly discount for internet service subscription costs and a one-time discount for an internet-enabled device for eligible households, or a successor program.
- "Affordable Housing" shall mean housing units, publicly or privately owned, that are regulated by New York State's Housing Trust Fund Corporation (HTFC), Homes and Community Renewal (HCR), Housing Finance Agency (HFA), a public housing authority, and/or another public agency.
- "Affordable Housing Connectivity Program" (or AHCP) shall mean New York State's CAO (defined below) grant program to fund deployment of new and/or upgraded fiber-based broadband infrastructure to and within affordable housing properties throughout the state.
- "Applicant" shall mean the entities described in Section E – Eligible Applicants, that will apply to participate in the AHCP.
- "Application" shall mean the materials submitted to CAO (defined below) by an Applicant seeking to participate in the AHCP, which shall be aligned with the specific requirements of a Request for Applications (RFA).
- "Broadband," unless otherwise defined by applicable law or regulation(s), shall mean high-capacity transmission technology that transmits data, voice, and video across long distances and at high speeds. As defined by the Federal Communications Commission (FCC), broadband is internet service with a minimum of 100 Mbps download and 20 Mbps upload speeds.
- "Capital Projects Fund (or CPF)" shall mean the grant program established by Section 604 of the Social Security Act (the Statute), as added by Section 9901 of the American Rescue Plan Act of 2021 (American Rescue Plan).
- "ConnectALL Office" (or "CAO") shall mean New York State's division of broadband access, established through passage of the New York State WIRED Broadband Act in 2022 and with powers to: coordinate the activities of all state agencies performing functions affecting access to high-speed, reliable, and affordable broadband; conduct research and analyses of matters affecting access to high-speed, reliable, and affordable broadband; and establish and implement programs, including grant programs, to expand access to high-speed, reliable, and affordable broadband; and other powers. CAO is responsible for the implementation of the ConnectALL Initiative announced by Governor Hochul in January 2022.
- "Covered Populations," when federal funding is involved, shall mean, as defined in the federal Digital Equity Act of 2021: individuals who live in covered households (see below); aging individuals (60 and above); incarcerated individuals, other than individuals who are incarcerated in a Federal correctional facility; veterans; individuals with disabilities; individuals with a language barrier, including individuals who are English learners, and have low levels of literacy; individuals who are members of a racial or ethnic minority group; and/or individuals who primarily reside in a rural area.
- "Covered Household," when federal funding is involved, shall mean, as defined in the federal Digital Equity Act of 2021: a household, the income of which for the most recently completed year is not more than 150 percent of an amount equal to the poverty level, as determined by using criteria of poverty established by the Bureau of the Census.

- "Digital Equity", as defined in the federal Digital Equity Act of 2021, means the condition in which individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States.
- "Digital Inclusion" means the activities necessary to ensure that all individuals and communities, including the most disadvantaged, have access to and use of information and communication technologies.
- "Fiber" refers to optical fiber, which carries information from one place to another via transmitted pulses of infrared light.
- "Grantees" shall refer to selected/awarded Applicants.
- "Housing and Support Services"(or "HHS") means programs and initiatives that address the problems of homelessness and housing insecurity in New York State.
- "Internet Service Provider" (or ISP) and "Managed Service Provider" (or MSP) shall refer to companies that provide subscribers with access to internet.
- "Open-Access" means an internet network where there may be more than one ISP that provides retail services over the same access network infrastructure simultaneously, allowing the subscribers to decide from which ISP they will purchase their services.
- "Owner" (or "Property Owner") shall refer to the sole proprietors, partnerships, LLCs, corporations, nonprofit entity, or for-profit entities that own, operate, represent, or manage an affordable housing site or sites.
- "Property" shall refer to an affordable housing location that has been selected for deployment/infrastructure upgrade through the AHCP.
- "Project Area" shall mean a to-be-defined region in which an Applicant operates or intends to operate as part of their participation in the AHCP. A Project Area will be defined in partnership between CAO and selected Grantees to determine the market boundaries in which a Grantee deploys grant funds for eligible uses.
- "Related Initiatives" shall mean programs and activities that share the goal of promoting and expanding Broadband access for residents of Affordable Housing and/or recipients of HHS assistance.

B. Statutory Authority

Section 16-GG*2 of the New York State Urban Development Corporation Act ("UDC Act"), Chapter 174 of the Laws of 1968, as amended, establishes the Division of Broadband Access, with the stated goal to "assist in ending the digital divide, supporting a more robust and competitive internet marketplace, and carrying out other actions to ensure universal access to high-speed, reliable, and affordable broadband." See UDC Act, §16-GG*2(1).[1] The statute also establishes the ConnectAll digital equity grant program "to support individuals to have the information technology capacity needed for full participation in society and the economy, including the effective implementation of a State Digital Equity Plan or any successor plan." See UDC Act, §16-GG*2(10).

[1] https://www.nysenate.gov/legislation/laws/UDA/16-GG*2

While the FCC has the authority to set minimum standards for internet speed, the NYS WIRED ACT authorizes the ConnectALL office to establish speed standards for grants (which are higher than the federal minimum standards).

C. Program Background

The ConnectALL Initiative, announced by Governor Kathy Hochul in January 2022, is an ambitious set of programs and activities aimed at addressing New York State's digital divide, transforming the state's digital infrastructure, and ensuring that all New Yorkers have access to reliable and affordable high-speed broadband internet service. The infrastructure funded through the Affordable Housing Connectivity Program is designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical download and upload of 100 Mbps. ConnectALL programs are designed and administered by the ConnectALL Office (CAO), which is within the New York State Urban Development Corporation d/b/a Empire State Development (ESD).

The U.S. Department of Treasury has awarded the State of New York $100 million through the Coronavirus Capital Projects Fund to support broadband access for communities who live in affordable housing. As part of the ConnectALL Initiative, CAO, in consultation with NYS Homes and Community Renewal (HCR), is offering the Affordable Housing Connectivity Program (AHCP), aimed at improving broadband access in affordable housing rental units, by providing funding to deploy new and/or upgraded fiber-based broadband infrastructure to and within affordable housing properties. Program funding will provide fiber drops, new/upgraded in-building wiring, and additional network components and equipment required to deliver upgraded broadband service to residents of affordable housing properties. By subsidizing deployment of fiber and in-building wiring to and within affordable housing properties, the AHCP will connect thousands of households to reliable, affordable, high-speed fiber-based broadband service. The program will increase affordability of service options by changing broadband delivery economics for Property Owners and Internet Service Providers (ISPs) and by lowering the barrier for ISPs to access broadband infrastructure to and within these properties for the purposes of providing service to end-users.

The design of this program has been informed by a comprehensive research and program design effort involving input from HCR, the New York City Department of Housing Preservation and Development (HPD), the New York State Association for Affordable Housing (NYSAFAH), public and non-profit housing organizations and other stakeholders to identify and quantify the broadband access and digital equity challenges specific to affordable housing properties. This analysis demonstrated that 54% of State-regulated affordable housing units are underserved (lacking sufficient infrastructure to achieve broadband service speeds of 100/20 Mbps); 44% of affordable housing properties have no direct access to fiber-optic broadband service; and affordable housing residents experience disproportionately low rates of broadband adoption.[2]

[2] New York State Association of Affordable Housing (NYSAFAH), "Affordable Housing Broadband Initiative (AHBI)," March 2022. Link.

D. Program Administration

The AHCP will provide grant funding directly to Eligible Applicants (see Section E) to construct and install: 1) last-mile infrastructure to affordable housing properties; 2) fiber drops to affordable housing properties; and/or 3) equipment and wiring within the building to enable in-unit broadband service.

CAO in collaboration with HCR will compile an inventory of Property Owners and Properties interested in participating in the program. Property Owners may indicate interest in participating as a Property via an online form available via the websites of CAO and HCR. After the initial indication of interest, CAO will request Property Owners complete a Building Conditions Assessment (via a form provided by the State) to provide information about their properties and broadband needs. Once submitted, CAO will review the information and Properties for participation in this program. After prioritization, CAO may aggregate building and Owner data to assemble bundles of Properties to match with qualified Applicants for deployment and service. The matching of qualified Applicants to Properties will be based on building type, assessed Property Owner readiness for deployment, geographic location, and other factors. For other housing or property types with other forms of regulatory oversight, ConnectALL may use another method of building assessment and selection of internet service provider and may provide grants to the property owner or manager to reimburse for eligible costs, as allowable and appropriate under the situational circumstances.

CAO will be the administrator of the AHCP and Related Initiatives. As such, it, or its duly authorized representative, will determine program structure and requirements, evaluate Applicant information, monitor Grantees for project completion and satisfactory performance, collect Grantee data to ensure compliance with all program requirements and verify allowable uses of funds, and approve disbursement of grant funds to selected Grantees.

A Grant Disbursement Agreement (GDA) will be executed between CAO and Grantee, the Applicant selected to work on and matched to Properties. CAO will execute agreements with Property Owners to define their requirements and will provide a template agreement for Property Owners to execute with Grantees.

Grantees selected to deploy infrastructure in affordable housing properties will be responsible for coordinating directly with Property Owners or their representatives to determine an agreed-upon project deployment schedule, secure access to facilities for installation work, and liaise with residents to ensure access to residential units as needed for installations. CAO will provide documents to guide Property Owner and Grantee coordination such as a target deployment schedule, roles and responsibilities for each party, communication method recommendations, inspection and completion verification procedures, and process remedies, which will be reflected in the GDA.

CAO may assist in identifying technical assistance resources available to Property Owners and/or Grantees, depending upon assessed need as grants are awarded.

E. AHCP Eligible Applicants

Broadband Infrastructure Owners: Entities currently operating or holding fiber infrastructure in New York and potential new market entrants who own middle- or last-mile fiber infrastructure.

Broadband Infrastructure Builders: Entities who construct and/or deploy open-access broadband infrastructure assets.

Internet Service Providers (ISPs): Entities currently providing internet services to consumers in New York and potential new market entrants. This may include entities that are not legacy providers of cable television or telephone services but who are interested in offering retail internet service over open-access infrastructure.

Managed Service Providers (MSPs): Entities operating networks and providing service to residents and businesses by leveraging existing internet infrastructure or partnering with construction entities to build networks.

Affordable housing Property Owners are not eligible recipients of funds for this program (see Section D – Program Administration for a description of how Property Owners will participate in the AHCP).

F. Program Assistance

The AHCP makes available financial assistance in the form of one-time grants for use by Applicants (ISPs and infrastructure providers as defined in Section E – Eligible Applicants). Funds are available for the eligible uses described in Section G – Eligible Uses, and for the additional activities set forth in the GDA to be shared with, negotiated, and agreed upon between CAO and Grantees. A portion of this Program's funding comes from the U.S. Treasury Capital Projects Fund (CPF). For grants funded or partially funded from that source, the State and its Grantees are required to follow the respective compliance requirements of that program, as described under *U.S. Treasury Guidance for The Coronavirus Capital Projects Fund for States, Territories & Freely Associated States.*

CAO may choose to provide non-capital resources to Grantees or Property Owners in the form of technical assistance related to Eligible Activities, coordination between Grantees and Property Owners, guidance on the selection of vendors, or reporting requirements. CAO may also choose, subject to required approvals, to leverage state-based funding to support Related Initiatives.

G. AHCP Eligible Uses

Eligible uses for program funding include the following two categories:

1. Fiber connections to Property premises:
    - Last-mile infrastructure: The cabling, wires, and/or wireless spectrum and radios, that ISPs use to distribute the internet from local internet exchanges to homes, offices, and other network endpoints.
    - Drops to a building: The connection from passing fiber or cable on a street pole or in-street conduit into a building. In a fiber-to-the-premises system, the fiber drop is the single connection from passing fiber into a structure for interior distribution to units.

2. In-building equipment and wiring retrofits:
    - In-building wiring: The interior cabling that distributes a telecommunications signal from the minimum point of entry (MPOE) to terminations, such as wall jacks, throughout a building.
    - Smart panels or other in-unit termination: The jack where a router or other internet device plugs in to receive service in a unit.
    - Routers: Networking devices that can route packets over different networks.

H. AHCP Ineligible Uses

The program will not fund activities defined as ineligible uses under applicable state and federal law, including the federal guidance for the CPF program, as described in the *U.S. Treasury Guidance for The Coronavirus Capital Projects Fund for States, Territories & Freely Associated States.*

I. Application and Selection Process

CAO will issue an AHCP Request for Applications (RFA), in which it will set forth specific program details and eligibility/selection criteria in line with the AHCP guidelines.

CAO will accept applications to this Program on a rolling basis until funds are expended or until CAO pauses or closes the RFA. Respondents are encouraged to submit applications as soon as they are able; applications will be reviewed in the order in which they are received. Applications submitted early may be advanced to detailed project scoping and deployment more quickly, depending upon prioritization.

Upon receipt of applications, CAO will review applications for eligibility, completeness, and conformance with these guidelines. Applications shall be processed in full compliance with the applicable provisions of federal and state law, including 16-GG*2 of the New York State Urban Development Corporation Act.

Based on the information provided in the applications (see Section J - Application Requirements), CAO will evaluate the applications for one or more Properties according to criteria put forward in the Request for Applications. Applicants who are deemed conditionally selected based on the Evaluation Criteria will be advanced to negotiations with CAO for one or more properties within the Project Areas selected by the Applicant in its application. CAO may request infrastructure costs and service pricing information from Applicants as part of the evaluation process to select Applicants for further negotiations.

Once conditionally selected, CAO will negotiate with the Applicant to determine the final Properties to be served within one or more Project Areas. CAO may approach the entity to submit an additional application for a specific Project Area or multiple Project Areas.

As a condition of the grant award, CAO and the Grantee will enter into a Grant Disbursement Agreement (GDA), which will outline the program's stipulations in compliance with CPF and penalties for failures to comply. In cases of grant awards made for infrastructure with open-access and long-term public ownership terms, the GDA will outline the relevant terms a Grantee must follow.

CAO may provide a template of a Service-Level Agreement (SLA) between the Grantee and Property Owner and/or end-users that outlines the terms for service speed, uptime, latency, privacy, and customer service offerings, in accordance with CAO's service performance expectations.

There may be a separate set of terms for long-term quality and use of fiber to provide affordable service. As part of these terms, participation in the Affordable Connectivity Program (ACP), or a successor program, will be a requirement and baseline qualification of all ISPs seeking to receive grants as part of the AHCP. Grantees will be required to represent their commitment to the GDAs and to provide a copy of their provider enrollment verification for CAO's review. Grantees will be required to certify their continued participation in the program in regular reporting to CAO.

J. Application Requirements

The AHCP requirements will be further defined in the Request for Applications (RFA).

Once matched with Projects, Applicants will be responsible for working with Property Owners or their representatives to gather information on the full scope of broadband retrofits required at a Property. Applicants may be required to compile further information about the buildings they are expected to serve, including some or all of the following:

- Conditions of the building(s) related to construction materials and age of Property;
- Information on any current wiring to the Property;
- Available information on adoption of any current internet service by residents;
- Information about any shared community or common spaces within the Property; and
- Other application requirements to be determined.

Pursuant to New York State Executive Law Article 15-A and Article 3 of New York State Veterans' Services Law, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned business enterprises (MWBEs) and service-disabled veteran-owned businesses (SDVOBs) in the performance of ESD projects. The Recipient shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8 and 9 NYCRR § 252.2(n) to achieve MWBE and SDVOB Participation. In addition, ESD's MWBE and SDVOB Participation/Equal Employment Opportunity Policy will apply to this program. Specific goals related to the total value of ESD's funding will be established on a grant-by-grant basis.

ESD has an agency-wide goal of 30% for MWBE participation, 15% for New York State certified Minority-owned Business Enterprise ("MBE") participation and 15% for New York State-certified Women-owned Business Enterprise ("WBE") participation (based on the current availability of MBEs and WBEs). ESD has an agency-wide goal of 6% for SDVOB participation, based on the current availability of qualified SDVOBs.

K. Evaluation Criteria

The AHCP evaluation criteria will be further defined in the Request for Applications. (RFA).

L. Compliance, Monitoring, and Reporting Requirements

CAO will provide guidance on compliance procedures and eligible costs. CAO will require Grantees to include along with their reports:

- a certification that program funds were spent only on eligible uses and in compliance with state and federal guidelines; and
- detailed documentation of all expenditures.

CAO may provide technical assistance and support to Grantees for completing project and expenditure reports. CAO may work with Grantees to revise report materials or provide additional documentation if required.

CAO may require Grantees to submit materials including, but not limited to:

- Detailed project construction plans and network designs;
- Permitting, licensing, and access approvals necessary for construction;
- Detailed documentation of project expenses;
- Regular reports on project progress, risks, expenditures, and impact against objectives