

BEAD Subgrant Recommendations for Affordable Housing MDUs

The Broadband Equity Access & Deployment (BEAD) program’s Notice of Funding Opportunity (NOFO) states, “*Installing internet and Wi-Fi infrastructure or providing reduced-cost broadband within a multi-family residential building*”¹ is an eligible use of program funding.

This document provides sample subgrant language states can use to solicit last-mile broadband projects that deploy infrastructure to the households (or “units”) inside multiple dwelling units (MDUs).

The following language has been compiled from various State BEAD Initial Proposal Volume 2 plans, existing State broadband affordable housing programs, and EducationSuperHighway.

1. TO THE UNIT

Language: *“For projects that propose to serve a multiple-dwelling unit (MDU), an applicant [shall/is encouraged to] propose a solution designed to reach individual residential units and common areas with reliable broadband service (e.g. InstantON, Managed Wi-Fi, etc.).*

“Applicant will specify if the project will provide: (a) a wireline fiber connection to each unit; (b) a connection with a non-fiber technology to each unit; or (c) a building-wide Wi-Fi installation available to all units.”

Purpose: Establish the expectation that new infrastructure is to reach MDU households. Wi-Fi coverage of common areas provides free service for residents who cannot afford even a low-cost service in their unit or are denied service due to a previous billing issue.

2. FREE & DISCOUNTED SERVICE

Language: *“Eligible use of Matching Funds includes operating expenses and cost of free or discounted broadband service for the length of time the free or discounted service is offered.”*

¹ BEAD NOFO, p.33

“Applicants [shall/are encouraged to] offer a solution that includes a free service tier at speeds defined by the applicant with a preference for 100/20Mbps.”

Purpose: Operational expenses are eligible for matching contributions under BEAD and include revenue otherwise gained from charging full price for broadband services. Set the expectation that free or discounted service will be a welcomed feature of an applicant’s project design. Free service is the most impactful means for reaching a State’s goal of Internet for All because it eliminates the greatest barrier to adoption: affordability.

Language: *“Applicants are encouraged to provide pricing for both of the following procurement models for MDUs:*

- 1. Retail: a direct-to-the-tenant agreement using mass-market pricing*
- 2. Bulk: a direct-to-the-property-owner agreement with discounted pricing*

It is preferred that bulk pricing be extended directly to residents rather than securing contracts directly with the property owner.”

Purpose: Bulk service agreements drive down the monthly price per unit (i.e., household) relative to retail pricing and lock-in rates for 3 to 10 years, depending on the terms of the bulk agreement.

3. ELIGIBLE USE

Language: *“Eligible uses include the equipment & labor necessary to deliver internet service to end-users in their unit and Wi-Fi in common areas, such as inside wiring, switches, routers (including in-unit routers), and wireless access points.”*

Purpose: Make it clear internal MDU infrastructure is an eligible use of funds to enhance the likelihood that proposals will include solutions tailored to individual units.

4. PARTNERSHIPS

Language: *“Applicants are encouraged to explore partnerships that align with the goals of the BEAD Grant Program. For instance, if the proposed project area includes MDUs, applicants are advised to consider partnering with a managed service provider [as a subcontractor] to provide solutions that reach individual residential units.”*

Purpose: Encouraging applicants to partner promotes competition by increasing the participation of providers who focus only on MDUs.

For example, multiple providers could provide complementary services to connect every household in a project area. Large last-mile providers could exist who could,

at best, only provide a “pass-by” to the MDU (i.e., drop a connection off to the MDU at the building level but not to the units). Providers specializing in the MDU space, like Managed Service Providers (MSPs), may not have services for connecting single-family homes. By working together, one provider can connect single-family homes, and MSPs could connect all units in the project area’s MDUs.

5. BANDWIDTH CAPACITY

Language: *“The proposal requires an explanation of how the middle-mile and last-mile bandwidth capacity was calculated and should include its ability to support all MDU residents with a minimum [100/20 Mbps OR 1Gbps] speed in the project area.”*

Purpose: Applicants should be required to provide the method they used for ensuring sufficient bandwidth capacity for the size of each MDU in their project area. Even if the proposed solution does not deploy infrastructure that reaches the MDU units, future projects extending connectivity to the units will be more cost-effective if sufficient capacity is already present.

6. TECHNICAL SUPPORT

Language: *“Applicants [shall/are encouraged to] offer a solution where the applicant manages the customer premises equipment (“CPE”), and as necessary, troubleshoot, repair, and/or replace the CPE that is not operating properly.”*

Purpose: *Customer Premises Equipment* refers to equipment customers connect their devices to, like routers and Wi-Fi access points. Expressing a preference for solutions where providers manage the onsite equipment will encourage robust solutions whose high-quality result in residents more likely to sustain their use of the service.

7. RESIDENT EXPERIENCE

Language: *“Applicants are encouraged to provide customer premises equipment (“CPE”) at no cost to all end-users and explain how the end-user onboarding process will be as seamless as possible.”*

Purpose: Adoption is improved the easier residents find the onboarding process. This language requires applicants to explain the onboarding process for residents and frames the ask in a way that sets the expectation it should be “as seamless as possible.”



8. OWNER PARTICIPATION

Language: *“Applicants [shall/are encouraged to] obtain a letter of agreement from the property authority of an MDU stating they will allow access to the property for the deployment of broadband with the design presented in the applicant’s plan.”*

Purpose: Engaging MDU property owners early on in the procurement process helps ensure deployments in MDUs are appropriate, sustainable, and meet BEAD’s period of performance deadlines. This language requires providers to collaborate with property owners by obtaining a letter of approval to include in their application.

Please email aptwifi@educationsuperhighway.org with questions or requests for assistance crafting language that suits your state’s unique goals.

ABOUT EDUCATIONSUPERHIGHWAY

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