



[Docket No. FR-6338-N-01]

Notice of Expansion and Proposed Restructuring of the Digital Opportunity

Demonstration Program

AGENCY: Office of Public and Indian Housing, HUD

ACTION: Notice, with request for comments.

SUMMARY: The U.S. Department of Housing and Urban Development (HUD) is committed to advancing digital opportunities in HUD-assisted communities by expanding its ConnectHomeUSA initiative to between 50 and 100 new communities. HUD's ConnectHome pilot program was launched in 2015 to address the "homework gap" for students in grades K-12 living in public and Indian housing. HUD partnered with interested public housing authorities and tribes to join forces with their city and tribal leadership to close this gap in twenty-eight HUD-assisted communities. Through this notice, HUD solicits comment on the expansion and restructuring of its demonstration program (ConnectHomeUSA) that is designed to further the collaborative efforts by government, industry, and nonprofit organizations to accelerate broadband internet adoption and use in HUD-assisted homes.

DATES: *Comment Due Date:* **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

ADDRESSES: Interested persons are invited to submit comments responsive to this Notice to the Office of General Counsel, Regulations Division, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, D.C. 20410-0001. All submissions should refer to the above docket number and title. Submission of public comments may be carried out by hard copy or electronic submission.

1. Submission of Hard Copy Comments

Comments may be submitted by mail or hand delivery. Each commenter submitting hard copy comments, by mail or hand delivery, should submit comments to the address above,

addressed to the attention of the Regulations Division. Due to security measures at all federal agencies, submission of comments by mail often results in delayed delivery. To ensure timely receipt of comments, HUD recommends that any comments submitted by mail be submitted at least two weeks in advance of the public comment deadline. All hard copy comments received by mail or hand delivery are a part of the public record and will be posted to <http://www.regulations.gov> without change.

2. Electronic Submission of Comments

Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> website can be viewed by other commenters and interested members of the public. Commenters should follow instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the Notice.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

3. Public Inspection of Comments

All comments submitted to HUD regarding this Notice will be available, without charge, for public inspection and copying between 8 a.m. and 5 p.m., Eastern Time, weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech

or communication disabilities. To learn more about how to make an accessible call, please visit:

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Dina Lehmann-Kim, Program Manager, Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street SW, Room 4130, Washington D.C. 20024; telephone number 202-402-2430; email: Dina.Lehmann-Kim@hud.gov. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible call, please visit:

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION:

I. Background

Many low-income communities lack adequate access to broadband internet, which presents barriers to community members seeking economic and educational opportunities. This is known as the digital divide. In 2015, HUD launched the Digital Opportunity Demonstration¹ to narrow the digital divide for students living in HUD-assisted communities by increasing access to broadband technology. Twenty-eight communities were selected to participate in the demonstration. Selected communities received various forms of support which included technical assistance from HUD headquarters and field office staff as well as from HUD's former nonprofit partner, EveryoneOn. Communities also had access to special offers made by private sector stakeholder organizations to EveryoneOn to support pilot communities' efforts. HUD also produced monthly newsletters and webinars designed specifically for participating communities. These provided the latest information on funding opportunities, research, best practices, and

¹ *Advance Notice of Digital Opportunity Demonstration*, U.S. Department of Housing and Urban Development, Federal Register Notice (2015), <https://www.federalregister.gov/documents/2015/04/03/2015-07719/advance-notice-of-digital-opportunity-demonstration>.

capacity-building related to digital inclusion. HUD also offered an annual two-day summit, which allowed communities to share best practices, learn from researchers or other practitioners in the field, and engage with HUD staff and staff from other federal agencies as well as private-sector stakeholders.

The demonstration program was rebranded in 2017 as ConnectHomeUSA (CHUSA) with an expanded goal of onboarding a cumulative total of 100 communities² by 2020.

Knowledge is a catalyst for upward mobility. Countries and local communities that cultivate access to global knowledge will thrive in an increasingly complex and technologically oriented world, while those that do not will struggle to keep pace. The adoption and use of broadband technology and associated programming are powerful tools to increase access to knowledge.

As in 2015, the jobs of tomorrow require robust technology skills. For example, over 80 percent of Fortune 500 companies require job seekers to register an account on the companies' online career site before even applying for an open position.³ The digital divide disproportionately affects certain Americans. Over 43 percent of households with an annual income of less than \$30,000 have no home broadband connection.⁴ More than 31 percent of American Indian and Alaska Native, African American, and Hispanic households do not have home access to high-speed internet.⁵ HUD serves these populations. 83 percent of HUD-assisted households have an annual income of less than \$25,000 per year and 66 percent are African American or Hispanic (46 percent and 20 percent, respectively).⁶

² HUD achieved the goal of onboarding 100 total communities in October 2020. Complete list of communities can be found here: Communities | HUD.gov / U.S. Department of Housing and Urban Development (HUD).

³ Jobvite.com, *2021 Fortune 500 Candidate Conversion Audit*, <https://www.jobvite.com/lp/2021-fortune-500-report/> (accessed 8/4/2022)

⁴ Vogels, *Digital Divide Persists Even as Americans With Lower Incomes Make Gains In Tech Adoption*, Pew Research Center, (2021) <https://www.pewresearch.org/fact-tank/2021/06/22/digital-divide-persists-even-as-americans-with-lower-incomes-make-gains-in-tech-adoption/> (accessed 8/4/2022)

⁵ Townsend, *Disconnected: How the Digital Divide Harms Workers and What We Can Do About It*, The Century Foundation, (2020), <https://tcf.org/content/report/disconnected-digital-divide-harms-workers-can/?session=1> (accessed 8/4/2022)

⁶ U.S. Department of Housing and Urban Development, *Resident Characteristics Report*, March 01, 2021 through June 30, 2022, https://www.hud.gov/program_offices/public_indian_housing/systems/pic/50058/rcr (accessed 8/4/2022)

Research conducted by the U.S. Government Accountability Office highlighted several significant barriers that deter the adoption of broadband technology by the communities HUD serves.⁷ These barriers continue to include:

- **Cost:** The most commonly-cited barrier to broadband adoption is the high cost of internet subscriptions and computer equipment.
- **Perception:** Many individuals are concerned that broadband does not provide sufficient utility to offset its high cost or believe that broadband is not relevant to their life.
- **Skills:** Lack of technology skills often present a barrier to broadband adoption for older adults and lower-income households.
- **Infrastructure:** Tribes and rural communities face the ongoing problem of lack of available broadband infrastructure. States with large rural areas tend to have larger digital divides.⁸

This opportunity to join CHUSA comes at a time when the federal government is providing unprecedented levels of funding for broadband networking and digital equity through various programs including the Affordable Connectivity Program, the Broadband Equity, Access and Deployment (BEAD) Program, the Digital Equity Act (DEA) and other programs.⁹ HUD will assist selected communities connect to these funding and other opportunities in order to minimize the barriers listed above, and close the digital divide.

II. Notice

This Notice seeks to further expand CHUSA and restructure its program model. The goal of this expansion is to add another 50 to 100 new communities. The program restructuring would

⁷ U.S. Government Accountability Office, Report to Congressional Requesters, *Broadband: Intended Outcomes and Effectiveness of Efforts to Address Adoption Barriers Are Unclear*, (2015), <https://www.gao.gov/products/gao-15-473> (accessed 8/4/2022).

⁸ Frost, *Pandemic Highlights Disparities in High-Speed Internet Service*, Joint Center for Housing Studies, Harvard University, (2021), <https://www.jchs.harvard.edu/blog/pandemic-highlights-disparities-high-speed-internet-service> (accessed 10/14/2022).

⁹ <https://www.affordableconnectivity.gov/>; <https://broadbandusa.ntia.doc.gov/funding-programs/broadband-equity-access-and-deployment-bead-program>; <https://www.internetforall.gov/program/digital-equity-act-programs>; <https://www.internetforall.gov/>.

adopt a three-tiered model, as described in this notice. This Notice and proposed restructuring also responds to Congressional interest¹⁰ in having CHUSA reach more HUD-served communities.

HUD's goal is to identify new communities from urban and rural and Tribal locations with both small and large populations that have the capacity to effectively narrow the digital divide, including expanding programs and capabilities over time. HUD seeks communities where state, local or Tribal leadership has already taken steps to support the goals of CHUSA, as measured by both the community's participation in other complementary Federal initiatives such as the Affordable Connectivity Program¹¹ which enhance Internet access in communities and by local broadband plans and strategies for implementation. HUD seeks to partner with new communities, as well as existing CHUSA communities that wish to continue their work, and provide technical assistance to these communities to identify financial, in-kind and other resources to accomplish the goals of CHUSA. In this vein, HUD encourages applicants to familiarize themselves with other Federal programs that are funding broadband, such as the Broadband Equity, Access and Deployment grant (\$42.45 billion) and the Digital Equity Act grant program (\$2.75 billion) by going to this comprehensive website: www.internetforall.gov.

The number of communities served by CHUSA will depend on the number of communities that commit to narrowing the digital divide and that meet certain criteria. Exhibit A below sets forth these proposed criteria to restructure the program to create optimal conditions to accelerate the adoption and use of broadband technology and expand this technology within new and existing communities.

¹⁰ See FY21 Congressional Appropriations Conference Report: <https://docs.house.gov/billsthisweek/20201221/BILLS-116RCP68-JES-DIVISION-L.pdf>; and see FY22 Congressional Appropriations Conference Report: [BILLS-117RCP35-JES-DIVISION-L.pdf](https://docs.house.gov/billsthisweek/20210908/BILLS-117RCP35-JES-DIVISION-L.pdf) (house.gov).

¹¹ The Affordable Connectivity Program provides a monthly subsidy of up to \$30 (\$75 on qualifying Tribal lands) to cover the cost of Internet service for low-income Americans. For more information to go: [Affordable Connectivity Program | Federal Communications Commission \(fcc.gov\)](https://www.fcc.gov/affordable-connectivity-program).

HUD would restructure the program to establish three tiers. Each tier is intended to be flexible, recognizing the diverse set of communities being considered for or already participating in CHUSA. Tier 1 addresses new communities. Tier 2 concerns existing communities, including those that can assist new communities. Tier 3 are those communities that complete the criteria of Tier 2 and wish to further evaluate and refine their existing connectivity solution to ensure it best meets their community's needs. HUD will not solicit any Tier 3 communities at this stage.

There is no Congressional funding for CHUSA; the program implementation is contingent upon HUD resources such as staffing and technical assistance. As this expansion proceeds, HUD will continue to assess community interest and the availability of HUD staffing resources to support participation by additional communities. HUD will also assess the effectiveness of the selection criteria within the three tiers on an ongoing basis. Such assessment may expand the number of participating communities, revise the selection criteria, or both to reflect HUD's experience in implementing CHUSA.

III. Evaluating ConnectHomeUSA

HUD intends to extend the outcomes of CHUSA, with the goal of increasing the number of participating communities. To this end, HUD will work with entities across the government, its nonprofit partner, EducationSuperHighway¹², and the research community to rigorously measure outcomes associated with the work of CHUSA to narrow the digital divide.¹³ The participating communities are expected to participate in any efforts designed to identify and share best practices with other HUD-assisted communities. In addition, participating communities will be required to measure and report outputs and outcomes.

IV. Solicitation of Public Comments

¹² <https://www.educationsuperhighway.org/>

¹³ In 2018, HUD conducted a study of the original pilot program and found that the ConnectHome intervention helped 71% use the internet for activities they could not previously undertake due to reliance on a cell phone with limited data (p. 39). See: ConnectHome Initiative - Full Report (huduser.gov/portal/publications/ConnectHome.html).

In accordance with 24 CFR part 10 and section 470 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 3542), HUD is seeking comment on this expansion and restructuring of the CHUSA initiative in this **Federal Register** notice for 60-days of public comment. The public comment period provided allows HUD the opportunity to consider comments and be in a position to commence implementation of the expansion following the conclusion of the 60-day period. [**NOTE: Do not submit application documents as public comments.** See Section E in Exhibit A below for CHUSA application instructions.] HUD is also interested in receiving comments about specific areas. HUD will evaluate responses to the questions below and may modify the design of the program. If HUD decides to announce any changes to the program, HUD will provide notice to the public prior to requesting applications.

1. The Digital Inclusion Stool (see paragraph A.1 in Exhibit A):

The primary focus of CHUSA addresses the three legs of the digital inclusion stool. HUD asks Tier 2 and Tier 3 communities to use their accomplishments in addressing the digital inclusion stool as a platform for helping residents achieve other outcomes by entering into agreements with quality-of-life partners. Should HUD ask communities to focus on other areas such as employment and education?

2. Tiered Model:

a. Is the support HUD describes sufficient for each Tier, or should HUD consider other forms of support? If so, what kind? To answer this question, HUD recommends reviewing paragraph B.3 in Exhibit A.

b. Should HUD consider other achievements in order for Tier 1 communities to be able to graduate to Tier 2 and for Tier 2 communities to graduate to Tier 3? To answer this question, HUD recommends reviewing paragraph C in Exhibit A.

c. The proposed focus of Tier 3 is connectivity; should Tier 3 focus on other elements instead or in addition to connectivity?

3. Required Levels of Engagement (see Section C in Exhibit A):

a. Staffing. During the implementation of both the pilot ConnectHome and expansion CHUSA programs, HUD found communities with dedicated staff support were generally more successful. For this reason, HUD is asking communities to identify a staff person who would be responsible for leading this work. HUD is interested in understanding whether this requirement is overly burdensome.

b. Data Collection. HUD is proposing that selected communities report on a quarterly basis the number of in-home Internet connections, devices, and digital skills trainings residents complete each quarter. Is this frequency enough, is it burdensome, and what challenges to collecting this data should HUD be aware of? Should HUD consider other metrics? Finally, how should HUD share or display the data collected – should it be available to the public or shared only with participating communities?

c. Three-year commitment. HUD is asking communities to commit to a three-year program. Is this period long enough to help communities realize gains in each area of the digital inclusion stool or should HUD consider a different time period?

4. Digital Badges (see paragraph B.5 of Appendix A):

HUD is proposing a variety of digital badges to recognize programmatic achievements. Some of these badges will be required to graduate to a higher tier. Are there other ways HUD could recognize community achievements or other achievements HUD should recognize?

5. Resources:

There are new federal funding resources available to address the three legs of the digital inclusion stool, such as the Affordable Connectivity Program which covers up to \$30 for Internet service (and up to \$75 on tribal lands) for qualifying families. There are also forthcoming Digital Equity Act funds that will provide funding for the types of activities CHUSA communities undertake. In addition to these resources as well as access to HUD staff, HUD-

provided technical assistance, and EducationSuperHighway's expertise, HUD is interested in understanding whether there are other resources that communities would find useful in order to implement a CHUSA program.

6. Selection Criteria (see Sections C and D of Appendix A):

Are there other factors HUD should consider when evaluating applications?

Dominique Blom,

General Deputy Assistant Secretary – Public and Indian Housing.

[Billing Code: 4210-67]

Exhibit A

Restructuring the ConnectHomeUSA Program

A. Background

The U.S. Department of Housing and Urban Development (HUD) has long understood the importance of bridging the digital divide. Since 1995, HUD has engaged in various digital inclusion efforts, including community-based programs such as Neighborhood Networks and CHUSA. HUD has also updated regulations to assess the need for and allow the use of HUD funding for broadband-related uses.¹⁴ These efforts have helped to ensure HUD-assisted residents' broadband needs are addressed within the parameters of HUD's existing authorities and funding.

HUD is committed to further narrowing the digital divide in HUD-assisted communities. The further expansion of CHUSA announced in this Notice builds on best practices and lessons learned from the 100 communities that have joined ConnectHome or CHUSA since 2015. The expansion also responds to Congressional interest¹⁵ in seeing CHUSA grow. With the support of HUD's new nonprofit partner, EducationSuperHighway (ESH), this expansion will create a new tiered model to support participating communities' digital inclusion and digital equity goals.

The opportunity to join CHUSA comes at a time when the federal government is providing unprecedented levels of funding for broadband networking and digital equity through various programs including the Affordable Connectivity Program, the Broadband Equity, Access

¹⁴ Narrowing the Digital Divide Through Installation of Broadband Infrastructure in HUD-Funded New Construction and Substantial Rehabilitation of Multifamily Rental Housing (December 2016); Modernizing HUD's Consolidated Planning Process to Narrow the Digital Divide and Increase Resilience to Natural Hazards (December 2016); and Use of Public Housing Funding to Support Internet Connectivity for Residents (January 2021).

¹⁵ See FY21 Congressional Appropriations Conference Report: <https://docs.house.gov/billsthisweek/20201221/BILLS-116RCP68-JES-DIVISION-L.pdf>; and see FY22 Congressional Appropriations Conference Report: [BILLS-117RCP35-JES-DIVISION-L.pdf](https://docs.house.gov/billsthisweek/20211117/BILLS-117RCP35-JES-DIVISION-L.pdf) (house.gov).

and Deployment Program, the Digital Equity Act and other programs.¹⁶ HUD will assist selected communities to connect to these funding opportunities.

1. Goals of CHUSA:

The overarching goal of CHUSA is to assist participating communities to effectively bridge the digital divide by addressing the three primary barriers to Internet adoption in low-income communities:

- High cost or lack of Internet service;
- High cost or lack of computing devices (smart phones are not considered computing devices for the purposes of CHUSA); and
- The need for hands-on digital literacy training.

These three elements are commonly referred to as “the three legs of the digital inclusion stool.”

Successfully addressing the digital inclusion stool requires contributions from various organizations – no single organization can do this work alone. For this reason, the collective impact model¹⁷ is the organizing principle around which CHUSA is based. This principle relies on one organization acting as the conductor, or leader, that organizes the symphony of partners towards achieving the agreed-upon goal of narrowing the digital divide in the targeted community. In the case of CHUSA, the housing entity such as a PHA usually serves as the lead organization.

During the course of a three-year commitment, Tier 1 communities establish goals and partnerships that address all three legs of the digital inclusion stool. Tier 2 and Tier 3 communities continue this work and use it as a platform for enhancing the economic, educational, and social well-being of the public and assisted housing residents in their targeted neighborhoods. Tier 2 and 3 communities will be asked to enter into an agreement with a

¹⁶ <https://www.affordableconnectivity.gov/>; <https://broadbandusa.ntia.doc.gov/funding-programs/broadband-equity-access-and-deployment-bead-program>; <https://www.internetforall.gov/program/digital-equity-act-programs>; <https://www.internetforall.gov/>.

¹⁷ <https://socialinnovation.usc.edu/wp-content/uploads/2018/06/Collective-Impact-Handout.pdf>.

“quality-of-life” partner such as a community college, apprenticeship program, local employer, or other organization.

B. Scope of Expansion and Timeline for Selection

1. Scope of Expansion

With this Notice, HUD is announcing a 50-100 community expansion of the CHUSA program. HUD seeks applicants from the Public and Indian Housing and Multifamily Housing programs from all HUD regions.

HUD recognizes that some communities may be new to the work of digital inclusion while others may be ready for a deeper investment, and still others might fall somewhere in between. For this reason, HUD has established a three-tiered model that would allow communities to take an incremental approach to this work. All communities, except existing CHUSA communities, would apply to join Tier 1. Existing CHUSA communities are encouraged to apply as Tier 2 communities. If selected, HUD (with support from its nonprofit partner, ESH) will work with communities to help them reach the level of engagement, or tier, they are most interested in pursuing.

2. Eligible Applicants

HUD seeks applicants from all ten HUD regions, Public and Indian Housing, and Multifamily Housing programs (including (but not limited to) Section 8 Project-Based Rental Assistance, Section 202, and Section 811 programs). Applications can be submitted by:

- Public Housing Agencies or their nonprofit affiliates;
- Tribes/Tribally Designated Housing Entities; and
- Multifamily owners and operators.

3. Tiered Model

Closing the digital divide requires many organizations working together. The new CHUSA program allows communities to build their capacity and partnerships over time. This approach facilitates the creation of robust and sustainable digital inclusion programs.

Tier 1 helps communities put in place the key components around the digital inclusion stool that are necessary for building a comprehensive digital inclusion program. Tier 2 will support communities' plans to grow their programs by offering more hands-on assistance tailored to the individual community's needs from HUD Headquarters and field staff as well as support from ESH. The areas of assistance offered could range from connecting to local partners, assisting with the development of the CHUSA Action Plan and convenings, providing information about funding opportunities, or other technical assistance. Tier 3 is reserved for communities that have met the requirements of Tier 2 and wish to evaluate their existing connectivity solution, refine it, or develop a customized connectivity solution that best meets the needs of their targeted neighborhoods and properties while still providing programs that address the three legs of the digital inclusion stool and their quality-of-life goals. With the exception of existing CHUSA communities, this Notice is asking interested applicants to sign on as Tier 1 communities. Former or current CHUSA communities are encouraged to apply to join as Tier 2 communities.

Each tier will have reporting requirements that will allow communities to demonstrate achievement of specific metrics that signal progress and will allow communities to eventually graduate to a higher tier. HUD will award distinct electronic badges for each metric attained. Communities can use these badges to display on their websites, social media sites, marketing or other communications materials, and share with potential funders. See paragraph 5 below for a description of the badges HUD will award.

a. Tier 1: Basic Engagement Requirements:

This introductory level asks participating communities to commit to closing the digital divide in their communities by:

- Using existing CHUSA technical assistance tools and products¹⁸ to deepen their understanding of digital inclusion; and
- Assigning a staff lead to begin establishing the necessary elements and partnerships to close the digital divide in their communities (see Section C, “Application and Criteria for Participation” below).

Interested communities can qualify for this tier by submitting a **Letter of Intent** indicating their interest in joining the initiative. See Section C “Application and Criteria for Participation” below for Letter of Intent requirements.

HUD Support:

If selected for Tier 1, you will receive:

- An electronic badge indicating your official participation in Tier 1. This badge can be used to announce your participation in this national initiative, posted on your website, shared with potential funders, and used in other communications materials;
- Access to all future CHUSA technical assistance announcements including invitations to webinars, special events, and summits (Note: Tiers 2 and 3 will receive priority for in-person events);
- Invitations to collaborate on CHUSA events that may be facilitated by HUD; and
- Information about and support for connecting to opportunities funded under the Broadband Equity, Access and Deployment Program, and the Digital Equity Act.

b. Tier 2: Intermediate Engagement Requirements:

Existing CHUSA communities can qualify for this tier by submitting a **Letter of Intent** indicating their interest in continuing participation for an additional three years (See Section C, “Application and Criteria for Participation” below for Letter of Intent requirements).

¹⁸ CHUSA TA products include: The CHUSA Playbook; webinars tied to Playbook chapters; toolkits, guides and planning documents; and the annual CHUSA Summits. NOTE: Tier 1 communities will have access to in-person summits on a space-available basis, but will have access to all virtual broadcasting of the summits. <https://www.hudexchange.info/programs/connecthomeusa/>.

HUD Support:

If selected for Tier 2, you will receive:

- All HUD support included in Tier 1;
- Electronic badges indicating specific accomplishments (e.g., number of residents trained) which can be used to demonstrate accomplishments to partners and funders;
- Access to HUD staff for organizational assistance with local CHUSA convenings and troubleshooting challenges;
- Technical assistance from HUD and ESH to help address connectivity challenges and support for the initial development of a customized connectivity plan (if applicable);
- Specific guidance around BEAD and DEA funding requirements and opportunities;
- Access to *all* stakeholder offers that may be limited to CHUSA communities;
- Access to CHUSA VISTA positions on a first-come, first-served basis; and
- Priority registration for the CHUSA annual summit.

c. Tier 3: Advanced Engagement Requirements:

Tier 2 communities that have fulfilled all requirements can move to Tier 3 by demonstrating an interest in evaluating their existing connectivity solution, refining it, and/or developing a customized connectivity solution that would allow for free or very affordable service for their residents that:

- Creates innovative and sustainable connectivity solutions that can serve as replicable models for other affordable housing providers;
- Continues to provide digital literacy training and access to affordable devices; and
- Creates pathways into apprenticeships and/or employment in fields requiring digital skills (in collaboration with the existing quality-of-life partner or other organizations).

HUD Support:

If selected for Tier 3, you will receive:

- All HUD support included in Tier 2;

- If funds allow, a dedicated HUD staff person to support your work;
- Ongoing support from HUD and ESH to provide technical assistance towards developing and implementing a customized connectivity solution; and
- Enhanced HUD collaboration around community-driven outreach and goals.

4. Changing Tiers

Communities selected to participate in Tier 1 or Tier 2 may submit a request to move to the next tier at any time during the three-year term. They must submit a Letter of Intent to ConnectHome@hud.gov that demonstrates they have met the requirements of their existing tier (see Section C, “Application and Criteria for Participation” below) and are ready to implement the requirements of the tier they wish to join.

5. Electronic Badges

HUD will award badges to officially recognize communities participating in this program for key accomplishments. Receipt of key badges will be necessary to move to the desired tier.

As the program unfolds, additional badges may be created. The types of badges include:

- **Designation as CHUSA Community:**
 - Tier 1 ConnectHomeUSA Badge
 - Tier 2 ConnectHomeUSA Badge
 - Tier 3 ConnectHomeUSA Badge
- **Program Accomplishments:**

Badge Level	Connectivity (Percentage of Target Units Connected)	Devices (Number of Devices Distributed, % of goal)	Training (Number of residents completing digital skills training, % of goal)
Bronze	25%	25%	25%
Silver	50%	50%	50%
Gold	85%	85%	85%
Platinum	90-100%	90-100%	90-100%

- **Program Milestones:**

- Baseline Survey Completed
- Convening Held
 - Bronze (Year 1)
 - Silver (Year 2)
 - Gold (Year 3)
 - Platinum (for Tier 3)
- Action Plan Submitted and Approved
 - Bronze (Year 1)
 - Silver (Year 2)
 - Gold (Year 3)
 - Platinum (for Tier 3)
- Memorandum of Understanding (MOU) with State or City/Tribal Leadership Finalized
- MOU with Quality-of-Life Partner Finalized
- Data Leader
- Digital Ambassador Program Established
- Digital Inclusion Coalition Established
- Designated Mentor Community (for other CHUSA communities)

6. Number of Communities to be Selected

HUD will select between 50 and 100 communities to join Tier 1. Existing CHUSA communities wishing to continue their participation in the initiative can apply to join as Tier 2 communities.

7. Application Due Date

Letters of Intent are due **[INSERT DATE 121 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Letters of Intent must be submitted to the following email address: CHUSA_applications@hud.gov.

8. Date of Announcement of Selected Communities

HUD will announce selected communities by **[INSERT DATE 211 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

9. Commitment Period

Communities will be expected to commit to participation in CHUSA for a period of three years.

10. Extension Periods

Participating communities may request to extend their period of participation beyond three years. For example, communities in Tier 1 that advance to Tier 2 during the course of their first three-year term, may wish to continue participating for a longer period to achieve the goals associated with Tier 2.

Communities wishing to extend their participation should email their request to ConnectHome@hud.gov. HUD staff will work with the community to determine if an extension is warranted.

C. Application and Criteria for Participation

Applicants interested in either Tier 1 or Tier 2 must submit a **Letter of Intent** to CHUSA_applications@hud.gov. Interested applicants should familiarize themselves with the application requirements and program expectations described below. Tier 2 is reserved for communities that were part of the ConnectHome pilot program or the CHUSA program.

Tier 1: Basic Engagement - Application Requirements

Application Requirements:

In order to indicate your interest in joining the CHUSA initiative as a Tier 1 community, you must submit a **Letter of Intent** indicating that you will begin working to close the digital divide in your community. The letter must indicate how you will meet the required levels of engagement outlined in the paragraph below. The letter must be submitted to CHUSA_applications@hud.gov, must include a primary point of contact, and must be signed by your Executive Director or other official authorized to make this commitment.

Required levels of engagement:

If selected, you will be asked to commit to the following over a three-year period:

- Assign a staff member(s) to lead the work (learning about digital inclusion, sharing findings with key staff, developing an initial Action Plan. See the Launchpad chapters of the CHUSA Playbook¹⁹ and the associated Toolkits²⁰);
 - Indicate which developments you are targeting; please include the addresses and number of units;
 - Administer a baseline resident survey to understand the level of need for connectivity, devices, and digital skills training by the end of the first year of receiving your CHUSA designation;
 - Establish annual internet adoption, device, and training goals for each of the three years of your participation;
 - Participate in CHUSA-sponsored training events such as webinars and conferences.
- (NOTE: Tier 1 communities will be able to participate in annual in-person CHUSA summits on a space-available basis but they will be able to participate in any virtual portions);
- Participate in community of practice forums that may be established for this Tier; and
 - Submit quarterly reports on the achievement of the metrics associated with Tier 1 as relevant (see below).

¹⁹ https://static1.squarespace.com/static/590bfab229687fec92f55513/t/5df26fd4d153a4617e035aad/1576169435094/ConnectHomeUSA+Playbook+2019+1-8_Final.pdf.

²⁰ <https://www.hudexchange.info/programs/connecthomeusa/playbook-toolkits-and-guides/>.

Graduating to Tier 2:

At any time during the initial three-year period, if your community is interested in moving to Tier 2, you will be required to submit a new Letter of Intent that matches the application requirements for Tier 2 and demonstrates the accomplishment of the criteria outlined below:

- Using your baseline survey results as a guide, describe annual connectivity, device, and training goals leading to a three-year goal of connecting 85% of your target population by the end of three years;
- Hold a convening of local and national stakeholders and partners who can assist you in reaching your goals (see CHUSA Playbook Chapter 4 on Convenings and the associated Convening Toolkit);
- Submit to your local HUD ConnectHomeUSA lead a CHUSA Action Plan outlining your goals (see the Action Plan template ²¹and Playbook Launchpad Chapters 1-5) and receive HUD approval;
- Enter into a formal partnership agreement with your state or municipal leadership and a quality-of-life partner; and
- Commit to submitting quarterly reporting on the number of connections, devices, and digital literacy training completions.

Tier 1 Badges Required for Graduating to Tier 2:

- Baseline Survey Completed
- Convening Held
- Action Plan Submitted and Approved
- MOU with City/Tribal Leadership Finalized
- MOU with Quality-of-Life Partner Finalized

²¹ <https://www.hudexchange.info/resource/6723/connecthomeusa-action-plan-toolkit/>.

Tier 2: Intermediate Engagement

With this Notice, HUD is asking existing CHUSA communities (or previous pilot communities) to formally opt into this expansion by submitting a **Letter of Intent** that addresses the elements outlined in the “Application Requirements” paragraph below. CHUSA communities accepted into Tier 2 will also be expected to meet the requirement specified in the “Required Levels of Engagement” paragraph below.

Tier 2 requires active engagement by three entities: the housing provider, state or municipal leadership, and a quality-of-life partner. The three entities must commit to working together to close the digital divide and leverage connectivity gains to help residents make progress in other socio-economic areas.

Application Requirements:

CHUSA communities interested in continuing their participation in this initiative must submit a **Letter of Intent** that:

- Identifies key staff person(s) responsible for carrying out your CHUSA program;
- Quantifies your connectivity, device, and training achievements *to date*. This will serve as a baseline against which to measure your future progress;
- Indicates the targeted developments for this phase of your participation and the number of units;
- Commits to administering another baseline survey in the first six months to inform your ongoing connectivity, device, training, and other goals;
- Describes your vision and goals (including for connectivity, devices, and training) for this phase of your participation (NOTE: goals may be updated after results are obtained from the baseline survey) and how this work will be supported by your organization’s leadership;
- Identifies a state or municipal or tribal partner agency and contact; and
- Identifies a quality-of-life partner and contact.

Required levels of engagement:

If selected, you will be asked to commit to the following over a three-year period:

- Assign a staff person(s) responsible for carrying out your CHUSA program;
- Administer a baseline resident survey within the first six months to understand the level of community need for connectivity, devices, digital literacy training; and other areas of interest (e.g., workforce development and apprenticeships, etc.). The results will be used to refine the goals you outlined in your application;
- Host a local convening (may be virtual) of current and potential CHUSA stakeholders to form partnerships. The convening must be completed no later than six months after being selected (see ConnectHomeUSA Playbook Chapter 4);
- Submit an Action Plan (See template on HUD Exchange, Playbook Launchpad chapters 1-5, and the accompanying Launchpad Toolkit) targeting the identified needs from the baseline survey to HUD CHUSA staff no later than 3 months after your convening;
- Establish annual internet adoption, device, and training goals for each of the three years of your participation;
- Your connectivity goal should lead to 85% connectivity of your target community by the end of the three years;
- Enter into an agreement with a third-party partner to bring employment, education, or other related opportunity to the targeted community by the end of the first year;
- Use HUD or ESH-indicated reporting tool to track progress on a quarterly basis (see Tier 2 Badges paragraph below);
- Participate in monthly regional HUD calls and/or other community of practice forums that may be established;
- Participate in the annual CHUSA Summits (either virtually or in-person).

Tier 2 Badges:

Using data you submit during the course of your participation in Tier 2, you will be eligible to receive badges for achievements related to connectivity, devices, training as well as badges that recognize project milestones.

- By the end of year 1, we will expect the following badges to be earned:
 - Bronze badges for all three legs of the digital inclusion stool
 - Baseline Survey Completed
 - Convening Held (Bronze)
 - Y1 Action Plan Submitted and Approved
 - MOU with City/Tribal Leadership Finalized
 - MOU with Quality-of-Life Partner Finalized
- By the end of year 2, we will expect the following badges to be earned:
 - Silver badges for all three legs of the digital inclusion stool
 - Y2 Action Plan Submitted and Approved (Silver badge)
 - Convening Held – Silver (Optional but encouraged)
- By the end of year 3, we will expect the following badges to be earned:
 - Gold badges for all three legs of the digital inclusion stool
 - Y3 Action Plan Submitted and Approved (Silver badge)
 - Convening Held – Gold (Optional but encouraged)

Graduating to Tier 3:

Tier 2 communities that have made significant strides in connecting residents to in-unit internet service, devices and training (attainment of silver badges in two of these areas will be required as a minimum) and that wish to deepen their digital inclusion work by evaluating their existing connectivity solution, refining it, and/or developing a customized connectivity solution that best meets the needs of their targeted communities may contact their HUD CHUSA staff to join Tier 3.

Tier 3: Advanced Engagement:

HUD and ESH staff will work closely with these communities to help them assess their current connectivity solution, refine and/or create customized connectivity solutions, address challenges, and identify outside resources to support the work. These communities will be required to continue to report and to develop an Annual Action Plan for the duration of their participation (between 1-3 years).

D. Selection Criteria

Tier 1: Basic Engagement

HUD is looking for comprehensive and detailed responses to the criteria outlined under Section C, “Application and Criteria for Participation” for this tier. **Letters of Intent** should clearly demonstrate a strong interest in narrowing the digital divide in the target communities.

Tier 2: Intermediate Engagement

HUD is looking for comprehensive and detailed responses to the criteria outlined under “Application and Criteria for Participation” for this tier. **Letters of Intent** should clearly demonstrate a strong commitment to narrowing the digital divide in your target communities and demonstrate strong partnerships with state, local or Tribal government and a quality-of-life partner. **Letters of Intent** should clearly describe how the applicant’s organization will support the work and how this work can complement the organization’s other self-sufficiency efforts or programs.

Tier 3: Advanced Engagement

No applications for this Tier are being accepted at this time. Tier 2 communities that demonstrate significant progress in each area of the digital inclusion stool (silver-level badges will be required for at least two of the three legs of the stool) as well as ongoing commitment to this work through the active engagement of staff and regular reporting, will be able to move to this tier and benefit from the tailored assistance aligned with this tier.

E. CHUSA Application Instructions:

Eligible entities interested in applying to join this expansion of CHUSA should send a **Letter of Intent** to: CHUSA_applications@hud.gov. This Letter of Intent serves as an application to participate in the CHUSA expansion detailed in this notice. See Section C, “Application and Criteria for Participation” for details regarding the Letter of Intent.

Applications will be accepted by HUD beginning 61 days after the publication of this notice in the Federal Register. All applications must be submitted by **[INSERT DATE 121 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Any application submitted after this deadline will not be accepted.

[FR Doc. 2023-22800 Filed: 10/16/2023 8:45 am; Publication Date: 10/17/2023]