

Commonwealth of Massachusetts

Performance Report

Capital Projects Fund

2024 Report

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Executive Summary

US Treasury approved \$145 million dollars for the Commonwealth of Massachusetts to implement a Gap Networks Infrastructure Grant Program (the “Gap Networks Program”) and \$22 million dollars for the Residential Retrofit Program. Both Programs are administered by the Executive Office of Economic Development (“EOED”) and executed by the Massachusetts Broadband Institute (“MBI”). MBI serves as the central broadband office for the Commonwealth of Massachusetts.

MBI has closed the first round of Gap Networks Program awards, totaling \$45.4 million. MBI is conducting a data reconciliation process with all Round 1 awardees that will be reflected in the contracts executed with each awardee. The application deadline for the second round of the Gap Networks Program was July 2, 2024. MBI anticipates making awards under Round 2 in September 2024.

MBI has closed the first round of Residential Retrofit, which covered prospective broadband infrastructure improvements related to approximately 5,000 units of public and affordable housing. MBI has a pipeline of approximately 25,000 units of housing and plans to issue quarterly RFP’s between September of 2024 and June of 2025 to ensure adequate time for project completion prior to December 2026.

The Gap Networks Program launched in August 2023 and the Residential Retrofit Program launched in May 2024. Both programs are actively engaged in the grant award process.

Uses of Funds

MBI developed the grant solicitation and the online application portal for the Gap Networks Grant Program during Q3 and Q4 of 2023. Round 1 awards were made during Q1 and Q2 of 2024. MBI has not released funds to awardees. Projects awarded under Round 1 will be under contract in Q3 of 2024 and projects are expected to get underway in Q4 of 2024. Gap Networks Program funds are designed to support the Commonwealth’s goal to make affordable, high-speed internet available to homes, businesses, schools, libraries, medical facilities, government offices, and other public places across the Commonwealth to support towns and cities with critical needs, particularly those communities that have substantial low-income households and other disadvantaged populations. The Gap Networks Program funds will address gaps in broadband infrastructure where reliable broadband service is unavailable by expanding access and connectivity in unserved and underserved locations across the Commonwealth.

The Residential Retrofit Program launched in May 2024 and has not yet released any funding to applicants. Funds under the Residential Retrofit Program will be used to construct state of the art fiber or CAT6 to the unit networks, along with associated Customer Premises Equipment (CPE) and equipment, to ensure that residents of public and affordable housing have access to reliable high-speed internet.

Activities implemented Over the Reporting Period

Gap Networks

MBI launched the Round 1 solicitation on October 25, 2023 and subsequently issued two amendments to the solicitation. Six applicants submitted grant applications under Round 1 of the Gap Networks Program, including their firm qualifications, approach, number and location of broadband serviceable locations (“BSLs”) to be served, technological approach and proposed schedule and budget for every proposed Project Service Area (“PSA”) they wished to have considered. The Round 1 grant applications totaled \$76.2 million in requested grant funds to extend coverage in 189 towns and cities. The Board of Directors of the Massachusetts Technology Collaborative (MBI’s parent agency) approved \$45.4 million in grant

awards to four grantees. These grants will expand broadband availability in 41 towns and cities. Networks funded through this program will be capable of offering broadband service that meets or exceeds 100 Mbps download speeds and 100 Mbps upload speeds.

Round 2 solicitation launched on May 23, 2024. The submission deadline for Round 2 applications was July 2, 2024.

The Gap Networks Evaluation team scored all applications that passed threshold review. The evaluation team applied the scoring criteria in the solicitation to each PSA, which allowed for a maximum score of 106 points.

For Round 1 of the Gap Networks Program several key activities were necessary to be completed prior to making awards:

1. Host a Bidder's Conference Webinar for all interested parties. [PowerPoint Presentation \(masstech.org\)](#)
2. Publish a question and answer guide to respond to questions received during the open procurement timeline.
 - [Solicitation 2024-MBI-01 Gap Networks Grant Program Questions and Answers Batch#1.pdf \(masstech.org\)](#)
 - [Solicitation 2024-MBI-01 Gap Networks Grant Program - Questions and Answers Batch #2.pdf \(masstech.org\)](#)
 - [Solicitation 2024-MBI-01 Gap Networks Program - Questions and Answers Batch #3.pdf \(masstech.org\)](#)
3. Conduct threshold review of all applicants.
4. Send clarification questions to applicants who did not provide clear and understandable content when submitting applications.
5. Conduct a financial analysis of each applicant that passed threshold review.
6. Score each PSA that passed threshold review. Each member of the evaluation team conducted his/her own scoring and the scores were combined into one consolidated scoring sheet.

The Board of Directors of the Massachusetts Technology Collaborative approved awards under Round 1 on February 26, 2024 and April 24, 2024.

MBI is conducting a data reconciliation process with each awardee to finalize the list of locations that will be included in each PSA. The goal of the reconciliation process is to ensure that the scope of work for each project: (1) includes all remaining unserved and underserved BSLs in each covered town or city; and (2) identifies and excludes any structures that do not qualify as a BSL. The project budgets and schedules incorporated into each grant agreement will also be adjusted accordingly and finalized during the reconciliation and contracting processes that are proceeding on concurrent paths.

Residential Retrofit

[Launch of Expression of Interest](#)

To develop a pipeline of prospective housing operators for participation in the Residential Retrofit Program, the Massachusetts Broadband Institute (MBI) launched an online expression of interest ("EOI") form in February 2024. In March 2024, MBI conducted webinars for housing operators and internet service providers, which were attended by 102 participants. Throughout the Spring of 2024, MBI presented the Residential Retrofit Program at events hosted by the Massachusetts Association of Community Development Corporations (MACDC, Citizens' Housing & Planning Association (CHAPA), and Massachusetts Municipal Association. Since the launch of the EOI, over 70 housing operators in

ownership of over 425 developments with over 25,000 units have expressed interest in the Residential Retrofit Program through June 30, 2024.

Launch of Request For Information (RFI)

Subsequently, MBI took action to develop a pool of interested internet service providers. MBI launched a Request for Information (“RFI”) on March 20, 2024, to solicit interest and received 10 responses with feedback on topics such as speed/pricing options, leveraging existing real estate assets, capital installation costs, and workforce needs informed the development of the Request for Proposals (“RFP”). On March 21, 2024, MBI hosted an online webinar which covered Program operations and key upcoming opportunities for internet providers to get involved in the Residential Retrofit Program. This event was attended by 54 participants.

Workforce Development, Housing Operator, Internet Provider Networking Events

In efforts to further promote the program and connect workforce development organizations, housing operators, and internet providers; MBI hosted 2 networking events in Chelsea (April 24, 2024) and Springfield (April 30, 2024). These events were attended by a total of 147 participants.

Launch of Request For Proposals (RFP)

The Residential Retrofit Program released the first RFP on May, 28 2024. After a robust eligibility review, 17 housing operators with 66 unique developments with over 5,000 units were selected for inclusion in the Round 1 RFP. These housing developments were separated into 33 project groups based on owner and proximity to one another. Shortly after the release of the RFP, MBI conducted a Bidders Conference to inform an application Questions & Answers document which was attended by 54 attendees. The RFP closed on June 28, 2024 and received 9 applicants with funding requests totaling over \$21 million dollars.

Activities Planned for the Next Reporting Period

Gap Networks

In the next reporting period, the Gap Networks Program expects to complete the data reconciliation process and execute contracts with all Round 1 awardees no later than September 2024. MBI will conduct the threshold review process for Round 2 applicants, evaluate and score all PSAs that pass threshold review, and intends to make awards in September 2024. MBI will conduct a data reconciliation process for all Round 2 awardees and expects to have all Round 2 awardees under contract in Q4 of 2024.

MBI will hold orientation meetings with all Round 1 awardees in Q3 of 2024, which will include: Reporting Overview, U.S. Treasury Quarterly Project and Expenditure Reporting Schedules, Baseline Reporting Data Collection and Instructions, Awardee Documentation and Meeting Schedule expectations, Compliance Review Information, and MassTech Team Responsibilities. Orientation meetings with Round 2 awardees will occur in Q1 of 2025.

MBI will conduct monthly status and make ready meetings with awardees after contracts have been signed. Quarterly status reporting meetings with MBI staff and MassTech Finance will begin after 3 months of reporting data is available to review. Monthly Executive meetings will commence in Q4 of 2024.

In collaboration with the Executive Office of Economic Development, MBI will support a Make Ready Working Group involving utility pole owners and providers to facilitate an efficient and effective make ready process.

Residential Retrofit Program

Round 1 Finalization

In the upcoming reporting period, MBI will conduct a robust evaluation effort through a formal evaluation committee which will include a threshold review and scoring of all applications that pass threshold review. MBI will coordinate site visits for high scoring applicants with their respective properties. These applicants will submit final proposals in August 2024 after their site visits.

MBI will finalize scoring of round 1 applications with Round 1 awards expected to be made in Q3 of 2024. Further, MBI will facilitate agreements between Round 1 housing operators and selected internet service provider applicants. After agreements are in place, MBI will execute contracts with the internet service provider applicants. MBI will then begin monitoring grantees and submit quarterly reports with information regarding financial expenditures, broadband infrastructure location data, and broadband infrastructure.

Expression of Interest/Housing Operator Outreach

MBI will continue to conduct outreach and distribution of the expression of interest to housing operators not enrolled in the program to increase the pipeline of prospective housing sites for future RFP rounds. MBI will continue to work with its housing partners, including the Executive Office of Housing and Livable Communities, Massachusetts Association of Community Development Corporations, Citizens Housing and Planning Association, and the Massachusetts Union of Public Housing Tenants to reach new housing partners.

RFP Schedule

MBI anticipates launching additional RFPs, each on a quarterly basis using the following schedule:

Round	Launch	Close
Rd I	5/28/24	7/2/24
Rd II	9/24	10/24
Rd III	1/25	2/25
Rd IV	4/25	5/25
R V (If needed, based on funds remaining)	6/25	8/25

Narratives About Individuals/Households Benefiting From CPF Funds, Including Information About Measures Used For Collecting and Measuring Success

Gap Networks

Each grant agreement will include a Scope of Work for each PSA with a detailed project schedule that includes timeframes for achieving the following milestones:

- Site surveys, field work and completion of preliminary design and engineering
- Negotiation and execution of cable television license agreement (if applicable)
- Filing make ready applications with utilities for pole and conduit licenses and payment of associated fees
- Payment of make ready estimates to utilities
- Receipt of all make ready licenses needed to complete the project

- Completion of 50% of the construction buildout (measured by premises passed)
- Final completion – 100% of premises passed and completion of initial customer installations

MBI will require that each grantee achieve final completion within 12 months of receipt of all make ready licenses subject to excusable delay justifications for force majeure events.

Awardees are required to submit quarterly status reports to MBI detailing the percentage of each milestone completed during the reporting period and any factors or challenges impacting the progress of the project.

Broadband internet is a tool for progress, empowering individuals and driving collective success. The infrastructure built during this program will improve each community's quality of life by enabling residents to access online education, expand their career pathways, work remotely, access and engage in telehealth opportunities, access government services, and stay connected to friends and family.

Residential Retrofit

Residents benefiting from the Residential Retrofit program all meet the US Treasury definition of "Impacted" or "Disproportionately Impacted". Properties receiving investment through the Residential Retrofit program either have income restrictions of 65% AMI or have a majority of units income restricted and are located in Qualified Census Tracts, in alignment with MBI's original proposal to US Treasury. These residents are disproportionately Black, Latino, AAPI, Elderly, Disabled, Veterans, or an intersection of these demographics and other marginalized population groups. All residents are low income, and many have limited English language skills.

[Resident Surveys](#)

After completion of project investments, MBI will deploy a survey that will allow residents of each participating property to voice their feedback in a qualitative and quantitative manner. Partnerships with Resident Service Coordinators on the ground level will allow this data to be collected at the completion of the Program.

[Payments upon completion of Milestones](#)

A structured reimbursement system has been implemented, aligning payments with predefined grantee milestones. This ensures financial support is provided in tandem with project progress. Each grant payment request will include a) detailed documentation of project expenses reported using the same line items as in the approved budget and b) reports on project progress, risks, expenditures, and impact and will be reviewed by MBI's Financial and Grants Analytical staff

Payments to grantees in all RFP rounds will be reimbursed based on the following milestones to ensure satisfactory progression.

Milestone 1: Submission of detailed construction plans and network designs

Milestone 2: Receipt of approvals for permitting, licensing, and access

Milestone 3: Completion of fiber to the building construction and installation

Milestone 4: Final project completion

Notable Challenges and the Status of Each Challenge

Gap Networks:

The primary challenge under the Gap Networks program is the process of reconciling broadband serviceable locations prior to a grant agreement being finalized and executed between MBI and the awardee. The purpose of the reconciliation is to finalize the list of eligible unserved and underserved broadband serviceable locations (BSL) that the awardee will be required to cover. This includes identifying locations that are subject to enforceable local, state or federal commitments or planned service by an existing provider. The data reconciliation process also identifies locations that do not meet the definition of a BSL. Determining whether a location is a valid BSL can be difficult without the benefit of actual field investigations.

During the BSL reconciliation process, certain location-specific data inaccuracies have arisen which MBI continues to navigate. In these isolated instances, data provided by Gap Networks Round 1 awardees has differed from data contained within the Federal Communications Commission's National Broadband Map and Fabric. Such instances of data conflict are actively resolved through a documented and standardized BSL reconciliation process.

Residential Retrofit

Area Median Income (AMI) Threshold

The existing qualifying criteria for housing operators to participate in the Residential Retrofit program is that 100% of the units are deed restricted at 65% AMI or less, or that they are located in a Qualified Census Tract and have a majority of units deed restricted affordable. MBI has found that the 65% threshold disqualifies a significant amount of public housing operators, many of whom have their deed restriction status set at 80% in alignment with HUD funding regulations. Operators of these public housing sites as well as the Executive Office of Economic Development have stressed that almost all residents of any public housing development are below 65% AMI, with only a handful of residents with incomes greater than 65%. MBI expects to further explore whether a programmatic adjustment to AMI to expand the pool of eligible HUD-funded public housing developments would be beneficial to achieving program goals.

Housing Operator Engagement

MBI has experienced barriers to accessing data on a timely basis from housing operators. In response, MBI will solidify an agreement prior to enrolling in Round 2 that clearly establishes expectations between the Housing Operator and MBI.

Overview and Outcomes of Ancillary Costs Incurred to Support Bringing the Capital Asset(s) into Full Use

Not Applicable – Neither Gap Networks nor The Residential Retrofit Program has expended any funds for capital assets and has not incurred any ancillary costs to date.

Promoting Equitable Outcomes

Objectives

The Massachusetts Broadband Institute (MBI) is currently administering two programs under the Capital Projects Fund: the Gap Networks Program and the Residential Retrofit Program. The \$145 million Gap Networks Grant Program is funding the deployment of broadband infrastructure in areas that currently lack broadband service. The program aims to expand access and connectivity in unserved and underserved locations throughout the Commonwealth to bridge the digital divide. Specifically, the program is funding the deployment of broadband infrastructure in those areas that currently lack access to sufficient broadband internet service, defined as service offering download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps.

While prior investment of public funds have substantially reduced the number of unserved and underserved locations remaining in the state, there are still pockets of locations throughout the state that lack access to reliable and affordable broadband service. The Gap Networks Program is addressing those remaining gaps in broadband availability.

Projects funded through the Gap Networks Program must be designed to deliver broadband service that meets or exceeds 100 Mbps symmetrical speeds. Locations that will be covered through a binding funding commitment from other federal or state funding sources are not eligible for funding under this program. Grant applicants are required to provide a minimum matching contribution of at least 20%, subject to limited waivers for certain municipally-owned broadband infrastructure projects. This program scores more favorably proposed projects in economically challenged areas, specifically Gateway Municipalities and those areas identified by HUD's Qualified Census Tract program.

The Residential Retrofit Program is making investments to deploy state of the art broadband infrastructure at approximately 22,000 Public and Affordable Housing units across Massachusetts. MBI intends to increase low-income residents' opportunity to access high-quality, reliable, and affordable broadband service in their homes by addressing deficient wiring and infrastructure through grants for the deployment of fiber optic cabling to the unit to qualified Internet Service Providers (ISP's) who will install, own, and maintain equipment. Improved infrastructure and enhanced connectivity will enable residents of Public and Affordable Housing to engage in essential daily activities such as working remotely, pursuing educational opportunities, and accessing healthcare from home.

Outcomes

Gap Networks:

On February 26, 2024 and April 24, 2024, the Board of Directors of the Massachusetts Technology Collaborative authorized the following grant awards under Round 1 of the Gap Networks Program.

Awardee Name, PSA # and Municipality	Grant Amount	Grant Match	Grant Match %
Comcast, PSA #2 (6 Towns in Martha's Vineyard)	\$ 1,714,240.00	\$ 428,560.00	20.00%
Comcast, PSA #3 (Nantucket)	\$ 619,125.00	\$ 206,125.00	24.98%
Comcast, PSA #9B (Monson, Palmer, Ware)	\$ 360,000.00	\$ 120,000.00	25.00%
Greenfield Community Energy Technology (Greenfield)	\$ 758,733.90	\$ 0	0%
Spectrum Northeast, LLC, PSA #1 (Florida & Savoy)	\$ 2,107,294.00	\$ 526,824.00	20.00%
Spectrum Northeast, LLC, PSA #2 (Hawley)	\$ 2,052,991.00	\$ 513,248.00	20.00%
Spectrum Northeast, LLC, PSA #3 (Monroe)	\$ 744,556.00	\$ 186,139.00	20.00%
Verizon New England, Inc., PSA #1 (Agawam, Chicopee, Holyoke, Springfield)	\$ 2,573,959.00	\$ 6,221,680.00	70.70%
Verizon New England, Inc., PSA #2 (Amesbury)	\$ 973,587.00	\$ 899,399.00	48.00%
Verizon New England, Inc., PSA #3 (Amherst)	\$ 409,169.00	\$ 947,306.00	69.80%
Verizon New England, Inc., PSA #4 (Attleboro)	\$ 379,498.00	\$ 760,514.00	66.70%

Verizon New England, Inc., PSA #7 (Brewster, Harwich)	\$ 3,032,734.00	\$ 3,135,499.00	50.80%
Verizon New England, Inc., PSA #10 (Dartmouth, Fall River)	\$ 3,221,676.00	\$ 4,461,605.00	58.10%
Verizon New England, Inc., PSA #13 (Falmouth, Mashpee, Sandwich)	\$ 6,596,050.00	\$ 7,115,139.00	51.90%
Verizon New England, Inc., PSA #14 (Gloucester)	\$ 1,922,365.00	\$ 1,625,521.00	45.80%
Verizon New England, Inc., PSA #24 (Yarmouth)	\$ 1,381,583.00	\$ 1,977,875.00	60.00%
Verizon New England, Inc., PSA #26 (Ashburnham)	\$ 2,215,402.00	\$ 553,851.00	20.00%
Verizon New England, Inc., PSA #27 (Barre)	\$ 1,842,521.00	\$ 774,218.00	29.59%
Verizon New England, Inc., PSA #28 (Bernardston)	\$ 679,245.00	\$ 1,018,868.00	60.00%
Verizon New England, Inc., PSA #29 (Deerfield)	\$ 1,034,505.00	\$ 1,551,758.00	60.00%
Verizon New England, Inc., PSA #31 (Lunenburg, Townsend)	\$ 2,672,403.00	\$ 1,600,798.00	37.50%
Verizon New England, Inc., PSA #32 (North Brookfield)	\$ 1,582,325.00	\$ 747,547.00	32.09%
Verizon New England, Inc., PSA #34 (Sheffield)	\$ 850,453.00	\$ 2,718,714.00	76.17%
Verizon New England, Inc., PSA #36 (Warren)	\$ 2,333,795.00	\$ 927,830.00	28.45%
Verizon New England, Inc., PSA #37 (Wellfleet)	\$ 3,429,723.00	\$1,380,548.00	28.70%

Residential Retrofit Program

While MBI has not made any awards to date under the Residential Retrofit Program, the program is designed to reach state and federally-funded public housing developments, which include developments supported by Low Income Housing Tax Credits or other deed-restricted affordable housing developments. Residents within these developments are low-income and among the Commonwealth's most vulnerable. Improved infrastructure and enhanced connectivity will enable residents of Public and Affordable Housing to engage in essential daily activities such as working remotely, pursuing educational opportunities, and accessing healthcare from home.

Labor

Gap Networks:

The Program is in contact negotiations with Round 1 Awardees, no labor costs have been incurred during the reporting period.

Residential Retrofit Program:

The program did not make any awards in this reporting period.

Community Engagement

Gap Networks-

This program supports community empowerment across the construction period and beyond through the sustainment and creation of local jobs and purchasing of supplies from local vendors. Access to reliable broadband service will help each municipality build a stronger community by unlocking new learning opportunities, allowing healthcare providers to reach unserved populations through telemedicine and small businesses to access broader markets.

MBI has engrained community engagement into the Gap Networks Program. Applicants are incentivized to conduct robust local engagement through the scoring matrix that awards points based on the demonstrated level of community engagement and support. Further, MBI requires a letter of support from an appropriate municipal official for each community that the applicant proposes to serve through this program.

Residential Retrofit Program

This program supports community engagement through economic development with a simultaneous focus on serving the Commonwealth's most vulnerable. Our procurement processes empower grantees to hire new jobs, sustain equitable workplaces, and create long term partnerships with workforce development organizations and housing operators across the Commonwealth. Further, our first round of Request for Proposals offered additional scoring points to applicants that offer open access in common areas of the properties they bid on and/or bulk service options for the entire building so that all residents can access a common network. MBI is committed to creating fruitful partnerships with housing operators to ensure community engagement at the resident level.