ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	**2. Award Identification Number** 17-43-B10507	**3. DUNS Number** 140652640

4. Recipient Organization

City of Chicago 50 W. Washington St., Suite 2700, Chicago, IL 60602

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	**6. Is this the last Annual Report of the Award Period?** ◯ **Yes** ⦿ **No**

7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Danielle DuMerer	**7c. Telephone (area code, number and extension)** 312-742-1221
	7d. Email Address danielle.dumerer@cityofchicago.org
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 02-23-2011

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

The City of Chicago's sustainable broadband adoption project does not promote a particular broadband technology, instead it aims to educate residents on the different options available. The City and its partners are addressing the primary barriers to adoption: cost, lack of interest, and difficulty of use.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
Hewlett-Packard	ProLiant Server DL360 G7 E5506 MFG# CPR-60588-005 SER01	2,217	1	Supplies were purchased by sub-grantee and received by designated personnel at their office location.
Hewlett-Packard	450 GB Internal Hard Drive MFG# CPR 581284-B21 SER02	2,796	4	Supplies were purchased by sub-grantee and received by designated personnel at their office location.
Hewlett-Packard	5-year Next business day ProLiant DL36x Hardware Support MFG#UA007E SER03	548	1	Supplies were purchased by sub-grantee and received by designated personnel at their office location.
Hewlett-Packard	HP 8GB Dual Rank PC3-10600 (DDR3-1333) Registered CAS-9 Memory Kit MFG#: CPR-500662-B21 SER04	459	1	Supplies were purchased by sub-grantee and received by designated personnel at their office location.
Totals		6,020	7	

Add Equipment	Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed **(600 words or less).**

The equipment noted above includes and supports one server, which is located at Southwest Reach Center. Southwest Reach is a FamilyNet Center location, which will provide technology training to low- and moderate- income residents in the Chicago Lawn neighborhood. Over the course of the program, the City's sub-recipients will install servers at all of the six FamilyNet Centers to support the new training labs as well as the community portals.

In Q3 2010, 59 Digital Youth Summer Jobs participants received MacBook computers. Participants were eligible to receive MacBooks if they successfully completed the eight week summer job program, which included working 20 hours per week at technology-focused jobs and completing one day of digital and job skills training per week.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported underlined cumulatively from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who underlined completed the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0
Multimedia	300	221	22,984
Office Skills	24	20	160
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	689	611	1,340
Certified Training Programs	0	0	0
Other (please specify): Job-Readiness Training	59	47	752
Total	1,072	899	25,236

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

The City of Chicago's sustainable broadband adoption project aims to create Smart Communities that will serve as real-world test beds for new approaches to technology access, broadband adoption and "killer apps" that improve quality of life for some of America's most vulnerable communities. Through a collaboration with LISC/Chicago's New Communities Program, trusted partners in five Chicago neighborhoods are delivering targeted training, awareness, hardware, software and content required to increase broadband adoption and achieve "digital transformation" in neighborhoods, families and businesses.

In 2010, the City and its partners created new jobs, taught youth and adults in underserved communities new digital skills, and launched online community portals that are providing residents with relevant hyperlocal content.

12 new full-time and 29 new part-time jobs were created:
- One full-time Smart Communities Program Officer
- Five full-time Tech Organizers
- Six full-time FamilyNet Center Managers
- 20 part-time Digital Youth Network Mentors
- Four part-time Business Resource Network Coordinators
- Five Community Portal Managers

280 youth participated in BTOP-funded activities, including the inaugural Digital Youth Summer Jobs Program and Digital Youth Network's After School Program. 59 Digital Youth Summer Jobs participants, who were between the ages of 14 and 17, worked 20 hours per week at Chicago businesses or non-profit organizations, and attended weekly digital media, job and life skills training classes. As a result of their efforts, they received a Macbook at the end of the summer in addition to their stipend. 221 youth "geeked out" as creators of digital content in Digital Youth Network after-school programs at five Chicago Public Schools.

Over 1,000 residents and small business owners participated in neighborhood Smart Communities Program launches, which promoted Everyday Digital and Civic 2.0 technology training and other BTOP-funded activities for residents and businesses.

Over 600 adults participated in Everyday Digital training classes, learning both basic Internet and computer and digital media techniques at FamilyNet Centers located within each community.

Community portals were launched for each of the five Smart Communities, providing hyper-local content in five Chicago neighborhoods. Community residents are publishing news stories, opinion pieces, and event details on these portals. Businesses are adding their information to the sites' directories to promote their enterprises online. The portals may be accessed at the following URLs:
- http://auburngreshamportal.org
- http://chicagolawnportal.org
- http://englewoodportal.org
- http://humboldtparkportal.org
- http://pilsenportal.org

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for

estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).
45	Neighborhood-level data from a July 2009 technology study conducted by the University of Illinois at Chicago demonstrates a broadband adoption rate of approximately 45% across the five neighborhoods included in the Smart Chicago Sustainable Broadband Adoption project. This data point -- the most recent available -- will serve as a baseline against changes in broadband adoption can be measured over the course of the BTOP project. The City has set the goal of generating 11,386 new high-speed Internet subscribers in the Smart Communities. During Q4 2010, Digital Youth Summer Jobs participants across all five communities received broadband access. Additional modules of Smart Communities programming began rolling out in Q4 2010 and the City anticipates that the adoption levels will increase as more individuals participate in training and other activities. The City and its partners have taken a number of steps to measure growth in broadband subscribership in the target areas, including: >> Working with front-line program staff at sub-recipient organizations to identify program participants that have become new broadband subscribers. >> Engaging a third-party academic research institution to perform a formal program evaluation of the Smart Chicago Sustainable Broadband Adoption project. >> Collaborating with the University of Illinois at Chicago and the Partnership for a Connected Illinois to repeat the 2009 study with support from NTIA's State Broadband Data and Development Grant Program. >> Requesting that Internet service providers in target areas provide aggregated, de-identified data changes in broadband subscribership.

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

The two most common barriers expressed by community residents are cost and lack of interest/difficulty of use. To address lack of interest and difficulty of use, the City and its partners are providing technology training opportunities, conducting grass-roots outreach with local residents and businesses, and creating relevant online content on community portals. Already everyday Digital and Civic 2.0 training classes are raising participants' awareness of the value of technology and developing their technology skills.

To address affordability, each resident interested in participating in these technology training programs are required to meet with a financial counselor at a FamilyNet Center location. The counselor helps residents create financial opportunities (i.e., increasing household income, budgeting, accessing income supports) for their households. As a result of technology training and these financial counseling sessions, participants may see the importance of Internet services and incorporate this cost into their monthly budget.

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

The City's sub-recipients have awarded a total of $913,730 in contracts to vendors. As a part of established procurement process, proposals from Small and Disadvantaged Businesses and Minority- and Women-Owned Businesses were encouraged. As a result, the Local Initiatives Support Corporation (LISC)/Chicago awarded four contracts to women-owned businesses totaling $753,235 or 82 percent of the total. Three of these business are also African-American women-owned. In addition to these vendor contracts, LISC/Chicago has executed 11 sub grants totalling $1,794,920, five of which were made to Latino-led community-based organizations (CBO) and six grants to African-American led CBOs.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

The City and its partners have found compliance management processes are critical to project success. It is helpful to have periodic workshops and refresher training for sub-recipients.

Biweekly status meetings with all key stakeholders not only provide a good way to monitor sub-recipient progress, but encourage a team approach to problem-solving.

Engaging local foundations in program activities led to the creation of the Smart Chicago Trust Fund, an innovative public-private partnership, that supports the local sustainability of BTOP investments by promoting on-going private investment.

Despite the ability to draw-down funds in advance for the BTOP grant, those funds must be fully liquidated within 30 days of the initial draw-down. Therefore, in order to comply with this process, if multiple sub-recipients are involved in the project, it is better to use a reimbursement-based approach for program expenditures.

Delays in contract execution and hiring and training new staff, may cause some delays in program start up.