

2022 LINE EXTENSION CUSTOMER ASSISTANCE PROGRAM (LECAP)

Program Guidelines



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Line Extension Customer Assistance Program

Program Description

For a subset of Virginians, broadband connections are not obtainable because their residence exceeds an internet service providers' (ISPs) standard connection drop length from a roadway or easement containing telecommunications infrastructure. The cost incurred by property owners to extend broadband infrastructure to these residences, referred to as special construction costs, range from \$5,000 to \$25,000 in some cases, depending on the distance and cost per linear foot charged by the provider.

Underscoring the demand for addressing this need, the FY2022 round of the Virginia Telecommunication Initiative (VATI) received six applications which sought to address line extension needs through proposing to cover elevated special construction costs for a subset of homes. These applications collectively requested \$22.7 million to connect 3,226 locations, which equals \$7,040 in state requested cost per location. Two applications requested significantly more than this average, requesting over \$14,000 per location.

Budget Language Directive

The 2021 General Assembly Session II, through allocating American Rescue Plan Act of 2021 (ARPA) funds, devoted \$8 million to the Department of Housing and Community Development (DHCD) for the Line Extension Customer Assistance Program (LECAP) to support the extension of existing broadband networks to low-to-moderate income residents¹. The Budget Bill introduced for consideration during the 2022 General Assembly Session proposes to allocate an additional \$8 million in the FY23 to the DHCD for the continuation of funding for LECAP to also support the extension of existing broadband networks to low-to-moderate income residents.

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¹ DHCD has released an income eligibility map for LECAP to identify the maximum household income allowed for participation by Zip Code area.

General Guidelines

LECAP funds will contribute up to 100% of the costs associated with extending broadband service to a qualified LECAP location, which is defined as a residence, which may include a registered home-based business. No funding shall be sought by ISPs for the expenses incurred for construction within a ISPs standard connection drop length or for standard fees associated with service connections. Funds delivered through LECAP must support extension of networks beyond the standard connection drop length or standard service connection costs of participating ISP.

There are three ways to access LECAP: application from an eligible household², a referral from an ISP operating in Virginia, or a referral from your local health care provider.

Applicant Guidelines

There are two ways for Virginians to qualify to be eligible for LECAP:

1. Household annual income³ is at or less than \$89,066 annually⁴.

OR

2. If a household's annual income exceeds \$89,066, the household may qualify if the household annual income is at or below 120% the Area Median Income⁵ (AMI) of the Zip Code⁶ in which a home is located. Click [here](#) to use the LECAP eligibility map to see if you are eligible to participate. Please note that households with incomes at or above \$133,599 annually⁷ are not eligible to participate in LECAP.

Renter occupied properties are eligible for LECAP assistance based on the household annual income of the renter. Renter occupied properties will be considered for LECAP on a case-by-case basis. Please contact DHCD for more information and requirements regarding renter occupied properties and LECAP eligibility.

Households who are interested in participating in LECAP must complete the following:

1. Submit an application and required income documentation to DHCD using the LECAP portal.
2. Upon request submit required income documentation which may include the 2 most recent pay stubs for each wage earner, the most recently filed tax returns, benefits documentation or other documentation as identified by DHCD
3. Assisted property must be a primary residential address of the LECAP participant
4. Upon approval, the LECAP participant must agree to:

² Applications may be completed by a health care provider on behalf of an individual or household if the individual is unable to complete the application due to health related limitations.

³ For home-based businesses, household annual income is a measure of taxable income (Annual Revenues-Annual Expenditures)

⁴ \$89,066 is 120% of the Area Median Income of the Commonwealth of Virginia.

⁵ Area Median Income is based on 2020 5-Year American Community Survey data.

⁶ DHCD reserves the right to qualify homes for LECAP participation that are at or below 120% the Area Median Income of the Census Block Group in which the home is located, as the maximum allowed income to participate in LECAP may increase if AMI is measured at the Census Block Group level.

⁷ \$133,599 is 180% of the Area Median Income of the Commonwealth of Virginia.

- a. Subscribe to internet service following the activation to the property. Please note LECAP participants are not obligated to subscribe to any additional services (i.e. television, phone/voice over internet protocol service or bundles) if the line extension provides access to television or voice service
 - b. If income eligible, sign up to participate in the federal Affordable Connectivity Program⁸ (ACP), a \$30 a month subsidy available from the Federal Communications Commission (FCC)
5. Upon completion of the line extension, the LECAP participant must sign an affidavit, provided by the ISP, indicating that the service has been established and conduct a speed test at the property proving service is subscribed to.

DHCD will notify applicants of eligibility within **30 days** of receipt of the application and all required income documentation. Upon confirmation of eligibility and availability of funds, DHCD will contact the qualified ISP and request a line extension to the location.⁹

*Please note in the event that two or more ISPs can serve a qualified LECAP location, the LECAP participant may select the ISP in which they will subscribe to service.

Additional Guidelines for Applicants

A health care provider may apply for assistance on behalf of a patient residing in Virginia for a line extension. The health care provider is required to do the following:

1. The health care provider must have the written permission of the LECAP applicant.
2. The LECAP applicant must be part of the process and agree to the terms and conditions set by the service provider.
 - a. The applicant signature is required on any documents submitted by the health care provider.
 - b. Participation may be verified by DHCD before approval.

Internet Service Provider Guidelines

LECAP will be conducted via procurement between the Department of Housing and Community Development (DHCD) and the ISP. DHCD issued a [Request for Interest \(RFI\)](#) for ISPs interested in participating in LECAP on May 11, 2022.

Participating ISPs must commit to providing access to broadband¹⁰ service to a qualified LECAP location. Budget language directing the creation of LECAP requires the program to support the extension of existing broadband networks to low-to-moderate income residents. Reflecting this directive, ISPs seeking to participate in the program must have an existing¹¹ broadband network in proximity¹² to the assisted

⁸ Internet service providers participating in LECAP must participate in the Affordable Connectivity Program

⁹ If a preferred internet service provider is not identified by the LECAP applicant, DHCD will notify all LECAP qualified internet service providers operating in the census block in which the applicant's property address is contained. These internet service providers will be identified using Commonwealth Connection Map, with internet service territory data sourced through the Virginia Broadband Availability Map Internet Service Provider Service Territory Data Submission Guidelines and process.

¹⁰ "Broadband" means Internet access at speeds equal to or greater than the adequate speed as determined by the broadband guidelines set out by the Department of Housing and Community Development for its Virginia Telecommunication Initiative from time to time.

¹¹ In instances where middle-mile infrastructure is present, but last-mile service is not provided, last-mile internet service providers are eligible to seek LECAP funds for associated line extension costs to provide broadband service to a location. LECAP funds cannot be used to pay for the associated fees to maintain connection to the middle mile network. Please note, DHCD reserves the right to deny LECAP assistance for areas within yet-to-be constructed Virginia Telecommunication Initiative project areas.

¹² "Proximity" means along the roadway or other telecommunications easement closest to the household.

property. Please note that in instances of dense clusters of proposed line extensions, DHCD reserves the right to deny funding for this area and recommend the cluster of locations be included in a Virginia Telecommunication Initiative (VATI) application area. Locations within Virginia Telecommunication Initiative (VATI) award areas prior to the FY21 award cycle are eligible for LECAP investment. Locations within VATI award areas in the FY21 and FY22 are not eligible for LECAP investment.

DHCD will cover costs up to \$10 per linear foot for aerial construction and \$15 per linear foot for underground, or buried, construction. DHCD reserves the right to increase this threshold on a case by case basis if there are extenuating circumstances for constructing the line extension such as a railroad or stream crossing that impact costs. Please note that submissions by wireless service providers to cover the cost of specialized wireless equipment are also an eligible use of LECAP funds. DHCD will consider proposals received from wireless internet service providers on a case-by-case basis to determine eligibility.

Measurement and application of a wireline provider's standard connection drop length must begin at the point which the proposed service drop will intersect the roadway or existing telecommunications infrastructure. DHCD will not consider requests if the ISP's drop length is calculated from the nearest access point¹³, as these may be placed between households and lengthen the drop distance for a household to connect to service.

ISPs participating in LECAP are required to complete the following:

- a. Provide preliminary cost estimates to DHCD within 30 days of receiving the request from DHCD.
- b. Provide DHCD a final cost estimate within 30 days of receiving written approval of the preliminary estimates by all parties, including the qualified LECAP participant.
- c. The Provider shall make service available within ninety (90) days of receipt of written approval from DHCD. Extension to this window may be granted by DHCD for delays due to issues beyond the ISPs control such as in pole attachment agreements, obtaining necessary permits/easements, or other extenuating circumstances.
- d. The provider must provide the LECAP participant service terms and conditions that must be fulfilled following the activation of service to the property.
- e. The provider will receive payment directly from the Department after completion of the line extension. In order to receive payment, DHCD must receive the following:
 - a. Signed affidavit¹⁴ from the LECAP participant indicating the service has been activated
 - b. Speed test from the Network Operations Center or property
 - c. Final cost estimate with supporting documentation
- f. DHCD will administer LECAP using the Centralized Application Management System (CAMS) to release applications, collaborate with grantee organizations, and manage projects. ISPs shall create a user profile in CAMS. A profile may be created at the following link:
<https://dmz1.dhcd.virginia.gov/camsportal/Registration.aspx>
- g. If the provider has not submitted service territory data meeting the requirements of the [Internet Service Provider Service Territory Data Submission Guidelines](#), the provider must submit service territory data in order to qualify to participate LECAP

¹³ "Access point" may also be referred to as Network Access Point, Splice Closure, Tap, Pedestal, or Access Terminal

¹⁴ This affidavit does not require notarization.

Freedom of Information Act

Entities wishing to request Freedom of Information (FOIA) exemption for information pertaining to a LECAP qualified property shall submit the request for exemption in writing detailing the type of documentation to broadband@dhcd.virginia.gov. Pursuant to 2.2-3705.6-3, the Department of Housing and Community Development (DHCD) will make promise of confidentiality through a written determination within ten (10) days of the request as to whether FOIA-exemption will be afforded as well as the nature and scope of the protection. Upon receipt of the written determination from DHCD documents must be submitted to broadband@dhcd.virginia.gov. Materials must not be submitted prior to FOIA exemption being granted. All exempted information will be securely maintained and accessed by VATI staff only.

In order for the information submitted by the applicant and specified in this subdivision to be excluded from the provisions of this chapter, the applicant shall make a written request to the Department:

- a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;
- b. Identifying with specificity the data, information, or other materials for which protection is sought; and
- c. Stating the reasons why protection is necessary.

The Department shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or confidential proprietary information of the applicant. The Department shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

LECAP Portal

DHCD has established a secured application and referral portal to receive LECAP applications and referrals from an ISP, units of local government and health care providers. For more information, please visit our website at <https://dhcd.virginia.gov/lecap>