



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jill Bourne

SUBJECT: See Below

DATE: August 31, 2026

Approved

Date:

9/8/26

COUNCIL DISTRICT: Citywide

SUBJECT: Amendment to the Funding Agreement with East Side Union High School District for a Community Wireless Network

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an amendment to the Funding Agreement between the City of San José and East Side Union High School District to consolidate the eight Community Wireless Network areas under one funding agreement, with an annual contribution up to \$1.6 million for ongoing network operations and maintenance and technology refreshes, to extend the term through January 31, 2032, and to add five one-year options to extend to continue network operations through January 31, 2037.

SUMMARY AND OUTCOME

The recommended action to amend the Funding Agreement between the City of San José (City) and East Side Union High School District (District or ESUHSD) will add the five networks covering Independence, Andrew P. Hill, Oak Grove, Mt. Pleasant, and Silver Creek high school attendance areas to the existing scope currently covering the original three networks (James Lick, William C. Overfelt, Yerba Buena attendance areas) thereby consolidating all eight Community Wireless Networks under one agreement. The Funding Agreement term would be extended from December 31, 2026, to January 31, 2032, with five one-year options to extend thereafter, through January 31, 2037. The amendment will also establish funding held by the City in which ESUHSD would provide at most \$1.6 million annually to pay for ongoing network management expenses and technology refreshes for the eight network areas.

This action allows the City to continue providing free internet access to approximately 200,000 residents within the Community Wireless Network coverage area and to advance the City's Digital Empowerment and Broadband Strategy – Goal 1, Objective 1.2. Continued network operation provides safety-net connectivity for students in ESUHSD attendance areas as well as their households and other residents within the coverage area.

BACKGROUND

Traditional school technology funding sources, such as E-Rate, have not allowed funding for activities that are not tied to a school campus, including broadband service for students at home. Students who do not have home broadband were left behind in the digital learning environment, a disparity referred to by many as the “homework gap.” Having internet access at home advances educational, career, medical, and financial outcomes.

ESUHSD serves more than 24,000 students who are San José residents in grades 9-12 at 11 comprehensive high schools, as well as alternative education sites and independent charter schools. The District has the seventh largest high school student enrollment in California and the largest in Northern California. The ESUHSD voters passed a general obligation technology bond measure in November 2014 to increase student access to computers and modern technology, referred to as a “tech bond”. At the time, three of the District's high schools, James Lick, William C. Overfelt, and Yerba Buena, served communities where most students lacked broadband at home.

Using the proceeds of the tech bond, the District and City entered a partnership to construct and install an outdoor Wi-Fi network within targeted areas of the three previously mentioned high schools. The project proposed to leverage City properties and infrastructure, such as community centers, light poles, traffic signals, and other structures, to construct the network, with District funding to pay for the network infrastructure and other implementation costs. The following City Council actions have been taken to advance this project:

- June 28, 2016¹ – Authorized the City Manager to negotiate and execute an Agreement between the City and ESUHSD to use ESUHSD funds for the installation and maintenance of a Community Wireless Network for a period of five years in an amount not to exceed \$2,700,000.
- September 20, 2016² – Authorized the City Manager to execute an Agreement with SmartWAVE for Wi-Fi deployment for the James Lick attendance area.

¹ <https://sanjoseca.govnita.com/api/workspace/Contracts/files/1975763858185/view>

² https://sanjose.granicus.com/MetaViewer.php?view_id=2&clip_id=9286&meta_id=592958

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- October 22, 2019³ – Executed the First Amendment of the funding and SmartWAVE agreements to expand community Wi-Fi in the William C. Overfelt High School attendance area.
- June 30, 2020⁴ – Executed a Second Amendment to the existing funding and SmartWAVE agreements to expand the Wi-Fi network in the Yerba Buena attendance area.
- June 29, 2021⁵ – Executed a Third amendment to the existing funding and SmartWAVE agreements to continue operations and technology refresh at James Lick, William C. Overfelt, and Yerba Buena attendance areas, and to expand the Wi-Fi network to the Independence, Andrew P. Hill, Oak Grove, Mt. Pleasant, and Silver Creek attendance areas.
- December 16, 2025⁶ – City Council approved the City's Digital Empowerment and Broadband Strategy, renewing the City's efforts to close the digital divide, including through continuation of the Community Wireless Network.

The Community Wireless Network is fully constructed and operates in eight ESUHSD attendance areas as part of SJ Access Free Wi-Fi. The networks utilize the City's fiber-optic infrastructure and internet bandwidth and are strategically located in densely populated residential areas with historically low household incomes and internet subscription rates. The network serves areas with approximately 200,000 residents and records approximately 76,800 unduplicated unique device connections per month. Table 1 shows the number of access points, estimated households, and service status for each high school attendance area network. Approximately 42,000 residential households are located within the eight active network areas.

Table 1: High School Area Networks and Access Points

High School Attendance Area Network	Number of Access Points	Estimated Number of Households	Status
James Lick	200	6,800	Open to students in November 2017 and public access in April 2019
William C. Overfelt	200	4,500	Open to students in June 2020

³ Council Memo 10/22/2019:

<https://sanjose.legistar.com/View.ashx?M=F&ID=7780092&GUID=6882BFB9-D343-4808-A2C7-50F9012A99F9>

⁴ Council Memo 6/30/2020: <https://sanjose.legistar.com/View.ashx?M=F&ID=8628463&GUID=936F1096-5498-437F-A487-2C6ACCB920B7>

⁵ Council Memo 6/29/2021:

<https://sanjose.legistar.com/View.ashx?M=F&ID=9537271&GUID=A848BF82-C7B5-464D-AF52-226D28B2AFAA>

⁶ Council Memo 12/16/2025:

<https://sanjose.legistar.com/View.ashx?M=F&ID=15013104&GUID=FF0CE4A5-AD11-4A87-9E66-0A560028E8E3>

High School Attendance Area Network	Number of Access Points	Estimated Number of Households	Status
Yerba Buena	200	7,800	Open for use in August 2020
Independence	340	8,200	Open for use in September 2022
Andrew P. Hill	200	4,500	Open for use in October 2022
Oak Grove	234	4,200	Open for use in November 2022
Mt. Pleasant	226	3,200	Open for use in May 2023
Silver Creek	208	2,700	Open for use in June 2023
Total	1,808	42,000	

The continued use of Community Wireless Network demonstrates the ongoing need for free internet access in the attendance areas. The Community Wireless Network serves as a digital access safety net for students, families, and residents who may otherwise lack reliable or affordable home internet access. Continued operation of the network supports access to education, employment, City and school services, telehealth, and other essential online resources.

While the Community Wireless Network is fully constructed and operational, continued service requires ongoing operations, support, maintenance, and periodic technology refresh. The existing ESUHSD agreements expire in December 2026. Approving the recommended action will allow the City and District to consolidate all eight attendance areas under one agreement and continue network services beyond 2026.

ANALYSIS

The Community Wireless Network is currently governed by two separate agreements with ESUHSD. The first agreement covers the initial three attendance areas of James Lick, William C. Overfelt, and Yerba Buena.⁷ The second agreement covers the five additional attendance areas of Independence, Andrew P. Hill, Oak Grove, Mt. Pleasant, and Silver Creek.⁸ Both agreements have the same terms and conditions and expire in December 2026.

The amendment will merge the two existing ESUHSD agreements into a single agreement covering all eight high school attendance areas. The amendment will also

⁷ Funding Agreement between the City of San Jose and ESUHSD. 12/17/21:
<https://sanjoseca.govnita.com/api/workspace/Contracts/files/1976388186669/view>

⁸ Funding Agreement between the City of San Jose and ESUHSD. 12/16/21:
<https://sanjoseca.govnita.com/api/workspace/Contracts/files/1976285509764/view>

extend the term through January 31, 2032, add five one-year options to renew through January 31, 2037, and create a funding reserve.

The amendment will also establish ESUHSD's annual funding obligation of up to \$1.6 million per fiscal year for eligible costs, including network management, support, and technology refreshes. Current network management costs for the eight attendance areas are approximately \$725,000 annually. For planning purposes, a prior estimate for a technology refresh for one location ranged from \$600,000 to \$1.0 million. This range does not represent an actual cost. Future costs for network management, support, and technology refresh services will be determined through competitive procurement.

A construction contract is not being awarded as part of this memorandum. The recommended action will allow the City to receive funding to maintain continuity of Community Wireless Network services while extending the contract with the current vendor beyond December 31, 2026. Contract cost elements for future network management, support, and technology refresh services will be determined through that procurement process.

As part of the amended agreement, a reserve would be created for any unexpended funds for future eligible technology refresh work. Because technology refreshes require replacement of network equipment as it reaches the end of its useful life, the reserve allows ESUHSD funds to be carried forward and used when refresh work is needed. Any unused balance in the reserve will be returned to ESUHSD upon expiration or termination of the Funding Agreement.

EVALUATION AND FOLLOW-UP

Staff will return to City Council for approval of any agreement resulting from the competitive procurement process for network operations and related services.

FISCAL IMPACTS

Each Community Wireless Network attendance area has associated costs for ongoing maintenance, technology refreshes, and City staff administration and project delivery. City funds will not be required to support ongoing network operations and maintenance costs or technology updates. The costs will be paid by ESUHSD, with any unexpended funds set aside in a reserve and used for future eligible technology refresh work.

Budget actions to recognize revenue from ESUHSD and appropriate funds for FY 2026-2027 will be brought forward following execution of the amendment. For this fiscal year, only the money for the technology refresh will be recognized and appropriated since the Adopted Operating Budget assumed funding for the network operations and

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maintenance costs to ensure the service is not disrupted. Budget actions for the remaining years of the extension term will be brought forward through future budget processes.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, City Manager's Budget Office, Information Technology Department, Public Works Department, Transportation Department, and the East Side Union High School District.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the September 22, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Jill Bourne

Director, Library Department

For questions, please contact Abigail Shull, Division Manager, Digital Empowerment and Public Technology, Library Department, at Abigail.Shull@sjlibrary.org or (408) 808-2000.