Open-Access Fiber for Fountain Valley

Detailed report and financial model. Companion to "Breaking the Cable Monopoly" [1]. Prepared September 2026.

Summary

- Fountain Valley households pay roughly $80 to $108 a month for cable gigabit service after the first-year promotion[2], while open-access providers in Placentia charge $55 to $65[3]. At the midpoint, a switching household saves about $348 a year.
- The open-access model is proven at scale: Utah's UTOPIA network serves more than 67,000 subscribers in 20 cities[4].
- Federal rules make exclusive access deals for cable and video providers unenforceable in apartments, condos, and HOAs[5], but there is no general legal right to force an HOA to admit a new fiber builder. Residents can still challenge restrictive contracts through records requests, FCC complaints, and member votes.
- Our model finds that a private partner needs about 50% of homes to subscribe to cover its capital cost at $1,750 per passing and a $40 monthly network fee. Dig Once conduit lowers that threshold to about 37%. The city should keep this risk with the partner.
- The Placentia builder's manager, SiFi Networks America, filed for Chapter 11 in June 2026[6]. Contract protections are essential.

1. The price gap residents face

Spectrum advertises 1 Gig in Fountain Valley at $60 a month for the first year[7]. Independent analysis finds Spectrum prices rise $20 to $48 after promotions[2], which puts the post-promo gig at roughly $80 to $108. Frontier fiber is also available in parts of the city, at speeds up to 7 Gbps[8], so "monopoly" overstates the situation; "limited competition" is accurate.

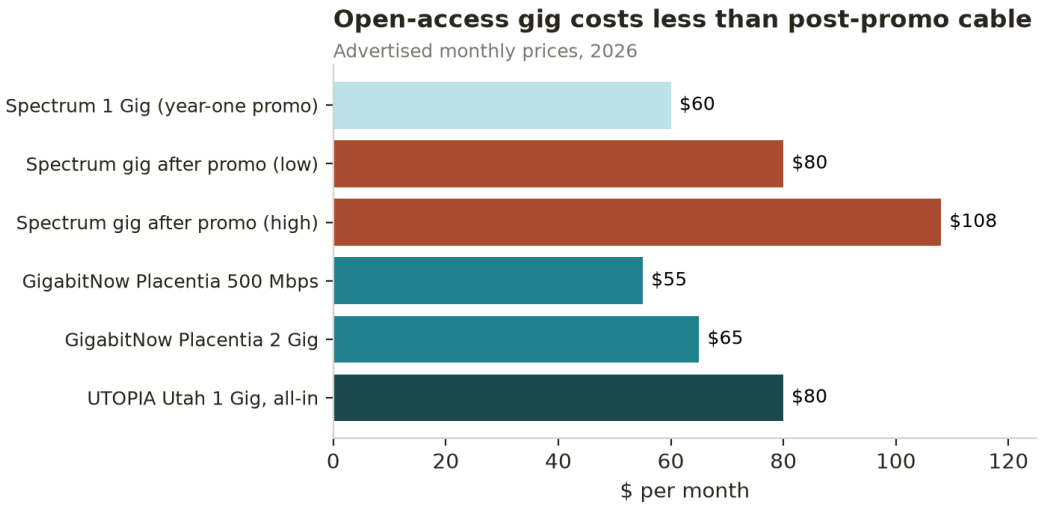


Figure 1. Advertised monthly prices. Sources: Spectrum[7], HighSpeedInternet.com[2], GigabitNow[3], Intellipop/UTOPIA[9].

Service	Monthly price	Speed	Notes
Spectrum 1 Gig, year one	$60	1 Gbps down	Promotional[7]
Spectrum gig after promo	$80 to $108	1 Gbps down	Promo plus $20 to $48[2]
GigabitNow Placentia	$55 / $65	500 Mbps / 2 Gbps symmetrical	Open-access provider[3]
UTOPIA 1 Gig, all-in	$79.95	1 Gbps symmetrical	$30 network fee plus ISP fee[9]

Table 1. Price comparison.

2. How open access works and where it has succeeded

In an open-access network, one entity builds and owns the fiber and charges a flat network fee. Multiple internet providers then compete for customers on the same lines. Residents can switch providers without new construction. The model separates the capital-heavy, monopoly-like part of the business (the fiber) from the competitive part (the service).

Network	Model	Scale	Result
UTOPIA Fiber, Utah	Open access, city consortium	67,000+ subscribers, 20 cities[4]; 22 citywide builds, 240,000+ passings[10]	$30 network fee ($38 in Bountiful), about $80 all-in gig[9]
Ammon, Idaho	City-owned open access, opt-in improvement district	Citywide by phase	Connection financed at under $17 a month[11]; a case study reports 56% savings for subscribers[12]
Placentia, California	Privately financed open access	About $35M, 20,000+ passings[13]	$55 to $65 symmetrical service[3]
Fullerton, California	Privately financed open access	$75M+ infrastructure fund investment[14]	About $79 gig[15]
EPB Chattanooga	City utility (not open access)	Citywide	$5.3B net community benefit over 15 years, EPB-commissioned study[16]

Table 2. National and regional examples.

3. Financial model

We built a simple, transparent model of a privately financed open-access network covering Fountain Valley. The question it answers: how many homes must subscribe before the network fee covers the partner's operating costs and cost of capital? The same math, with live formulas, is in the companion workbook "Fiber - Financial Model."

Inputs

Input	Base value	Basis
Homes and businesses passed	22,200	SiFi's Fountain Valley FiberCity listing[17]
Construction cost per passing	$1,750	Placentia: about $35M for about 20,000 passings[13]. Cartesian reports urban underground at about $20 per foot, with labor 72% of cost[18]
Drop and install per subscriber	$1,200	ASSUMPTION
Take rate (share of passings that subscribe)	40%	ASSUMPTION; tested 30% to 60%
Network fee per subscriber per month	$40	UTOPIA $30, Bountiful $38[9]; set higher for California costs (ASSUMPTION)
Operating cost share of revenue	25%	ASSUMPTION
Cost of capital and life	6.5%, 30 years	ASSUMPTION (infrastructure-fund financing)
Retail price after switching	$65	GigabitNow 2 Gig[3]

Table 3. Model inputs. Blue cells in the workbook.

Assumption. Construction cost per passing is the most important input. The Placentia figure may exclude some drop costs, and California labor and permitting costs are high. The workbook lets readers test any value.

Base-case results

Metric	Value	Formula
Subscribers	8,880	Passings x take rate
Total capital cost	$49.5M	Passings x cost per passing + subscribers x drop cost
Network revenue per year	$4.26M	Subscribers x fee x 12
Net operating income per year	$3.20M	Revenue x (1 - opex share)
Annual capital charge	$3.79M	Capital x capital recovery factor (6.5%, 30 yrs)
Coverage ratio	0.84x	NOI / capital charge; 1.00x = break even

Table 4. Base-case results.

Key finding. At a 40% take rate, the network covers only 84% of its capital charge. It needs about 50% to break even. This is why the city should not guarantee subscriber counts or revenue.

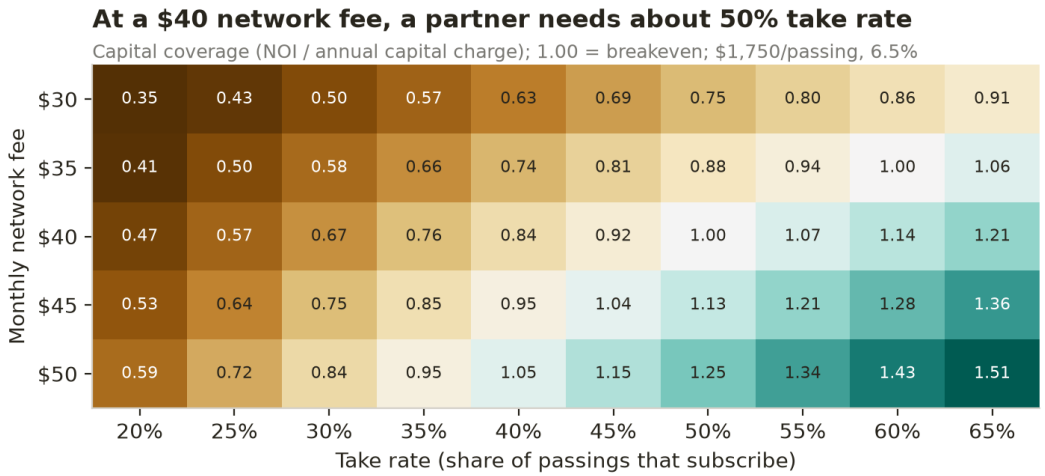


Figure 2. Coverage ratio by take rate and network fee (model output).

Sensitivity: coverage ratio by take rate and fee

Take rate	$30	$35	$40	$45	$50
30%	0.50x	0.58x	0.67x	0.75x	0.84x
40%	0.63x	0.74x	0.84x	0.95x	1.05x
50%	0.75x	0.88x	1.00x	1.13x	1.25x
60%	0.86x	1.00x	1.14x	1.28x	1.43x

Table 5. Coverage ratio (NOI / capital charge). Values at or above 1.00x break even.

Dig Once and construction cost

Digging and restoring streets is 75% to 90% of underground fiber cost[19]. The GAO estimated that installing conduit during other road work cuts later fiber costs by 25% to 33% in urban areas[20]. We model a 25% reduction in passing cost.

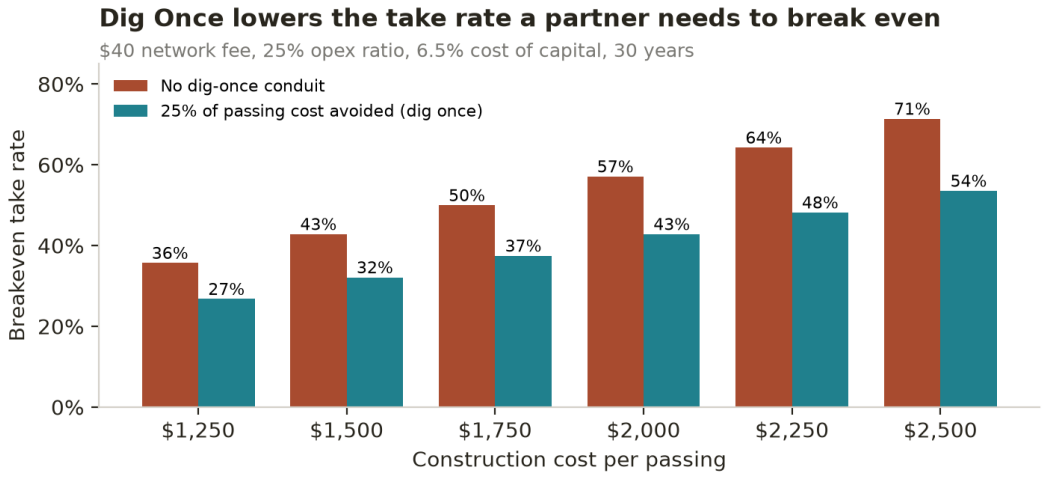


Figure 3. Breakeven take rate by construction cost, with and without Dig Once (model output).

Cost per passing	Breakeven take	With Dig Once (-25%)
$1,250	36%	27%
$1,500	43%	32%
$1,750	50%	37%
$2,000	57%	43%
$2,250	64%	48%
$2,500	71%	54%

Table 6. Breakeven take rate.

Variable changed	Low	Base	High
Cost of capital (5.0% / 6.5% / 8.0%)	40%	50%	61%
Opex share (20% / 25% / 35%)	46%	50%	61%
Network fee ($35 / $40 / $45)	60%	50%	43%

Table 7. Breakeven take rate under other assumptions.

Household and citywide savings

A household switching from a post-promo cable gig (midpoint $94) to a $65 open-access plan saves $348 a year. At a 40% take rate (8,880 subscribers), that is about $3.09M a year that stays in residents' pockets. Savings may be larger if incumbents lower prices in response, but we found no documented evidence of that in Placentia, so we do not count it.

4. Your right to choose a provider

The campaign's premise is that HOA and landlord restrictions on provider choice are generally illegal or unenforceable. That is partly correct. The accurate framing: exclusive deals are banned or unenforceable in several important ways, but no law forces an HOA to let a new builder into its common areas.

Protection	What it does	Limits
FCC exclusivity ban (2007)	Cable and video providers cannot enforce exclusive access clauses in MDUs, including older contracts[5]	Does not cover broadband-only ISPs
Lansdowne v. OpenBand (2013)	Federal appeals court upheld applying the ban to an HOA arrangement[21]	Fourth Circuit precedent
FCC revenue-sharing ban (2022)	Bans exclusive revenue sharing; requires disclosure of exclusive marketing[22]	Telecom and cable only[23]
AB 1414 (effective Jan 1, 2026)	Tenants may opt out of bulk-billed internet and deduct the charge if refused[24,25]	Tenants; HOA owners unclear
OTARD rule	Overrides rules blocking small antennas, including fixed wireless, in areas a resident controls[26,27]	Not roofs or common areas
Civ. Code 4725	Limits HOA antenna restrictions[28]	Antennas only
Civ. Code 4600	Exclusive use of common area generally needs 67% owner approval[29]	Exceptions apply

Table 8. Legal protections relevant to provider choice.

Gaps: the FCC proposal to ban bulk billing nationally was withdrawn in January 2025[30]. There is no telecom exception in the California common-area statute and no mandatory-access law in California.

How to challenge a restrictive HOA policy

1. Request the contract. Members may inspect association records, including executed contracts[31].
2. Read it for exclusivity, revenue sharing, and term length. Exclusive access clauses held by a cable or video company are likely unenforceable under FCC rules. File an FCC complaint if the provider tries to enforce one.
3. Check whether a 67% owner vote approved any exclusive use of common area[29]. If not, the grant may be challengeable.
4. Organize. Five percent of members can call a special meeting[32]; propose a non-exclusive easement for a second provider.
5. Use internal dispute resolution and alternative dispute resolution under the Davis-Stirling Act before litigation, and consult an HOA attorney. Outcomes depend on the specific contract.

What the city can do

San Francisco's Article 52 gave occupants the right to request service from their chosen provider[33]. The FCC preempted it only to the extent it forced sharing of wiring already in use[34]. A narrower Fountain Valley ordinance could require building owners to allow reasonable, non-exclusive access for additional providers, with the provider paying costs, while avoiding the preempted part.

5. Preemption and industry lobbying

Sixteen states restrict or hamper community broadband, by BroadbandNow's 2025 count[35]; other counts range from 19[36] to 22[37] depending on definitions. Many of these laws follow ALEC model legislation backed by incumbents[38]. In 2021, the federal CONNECT Act (H.R. 1149) proposed barring local governments from providing broadband[39]; it was not enacted. In 2016, a federal appeals court blocked the FCC from overriding Tennessee and North Carolina limits[40].

The trend has reversed in several states. Arkansas, Washington, Colorado, and Minnesota have repealed restrictions since 2021[41,42]. California has no such ban. However, CalBroadband, whose members include Comcast, lobbied against AB 1414[43], and the FCC is weighing industry-backed limits on local permitting of wireline networks[44]. We found no current bill that would bar California cities from open-access partnerships.

6. Risks and contract protections

SiFi Networks America, which managed the Placentia and Fullerton builds, filed for Chapter 11 in June 2026[6], and its assets are being sold to ArcLink Fiber[45]. A Folsom staff report noted Placentia had delays and amended its agreement[46]. Recommended terms:

Risk	Protection
Partner fails mid-build	Performance bonds, milestone schedule, city step-in rights, assignment to a qualified successor
Low subscriber uptake	No city revenue or take-rate guarantee; partner carries demand risk
Street damage	Restoration standards, micro-trenching specifications, warranty period
Network sold or refinanced	Stand-alone project company, change-of-control consent, open-access covenant that runs with the asset
Price creep	Published wholesale fee with CPI cap; non-discriminatory access for all ISPs

Table 9. Contract protections.

7. Recommendations

1. Adopt a Dig Once policy for all street and utility projects, with a public conduit map.
2. Issue a request for information for privately financed, open-access, citywide fiber with the protections in Table 9.
3. Adopt a resident-choice ordinance modeled on the non-preempted parts of San Francisco's Article 52, and publish a plain-language rights guide.
4. Coordinate fiber planning with growth under the 2023 General Plan[47].

Methodology and limitations

The model is a steady-state annuity check: it compares one year of stabilized NOI with a level annual capital charge. It ignores ramp-up, taxes, and financing structure, so it is best read as a screening test. Prices are advertised rates as of 2026 and change often. Legal content is general information, not legal advice.

Sources

Superscript numbers in the text link to the sources below. All figures labeled ASSUMPTION are modeling choices, not sourced facts, and can be changed in the companion Excel workbook.

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