

# Factory-Built Housing (FBH) Pre-Development Pilot Program

## Grant Guidelines



CALIFORNIA  
STRATEGIC  
GROWTH  
COUNCIL



### Technical Amendment

June 26, 2024

---

Program information can be accessed at: [sgc.ca.gov/grant-programs/factory-built-housing/](https://sgc.ca.gov/grant-programs/factory-built-housing/)

To sign up to receive notices, updates, and information regarding the Factory-Built Housing Pre-Development Pilot Program (and other Strategic Growth Council (SGC) grant programs and initiatives), visit the <https://bit.ly/FBHSign-Up> or the SGC website and click on the “E-list” link at: <http://sgc.ca.gov/>.

## Table of Contents

- Section 1: Introduction ..... 4
  - 1.1 Background ..... 4
  - 1.2 Funding Availability..... 6
  - 1.3 California Climate Investments..... 7
  - 1.4 Statutory Authority ..... 8
  - 1.5 Program Summary ..... 8
  - 1.6 Program Vision for Racial Equity ..... 9
  - 1.7 Program Objectives..... 10
  - 1.8 Program Timeline..... 10
- Section 2: Eligibility ..... 10
  - 2.1 Eligibility Requirements ..... 10
  - 2.2. Eligible Applicants ..... 10
  - 2.3 Eligible Proposals ..... 11
  - 2.4 Eligible Costs & Activities ..... 14
- Section 3: Program Thresholds ..... 16
  - 3.1 DOE Title 17 Part I ..... 16
  - 3.2 Site-Readiness ..... 16
  - 3.3 Applicant Capacity ..... 17
  - 3.4 Financial Capacity ..... 17
  - 3.4 Energy Efficiency ..... 17
- Section 4: Broader Alignment with SGC and State Housing & Climate Goals ..... 18
  - 4.1 Affordable Housing ..... 18
  - 4.2 Energy Efficiency and Resiliency ..... 19
  - 4.3 Site Selection..... 19
  - 4.4 Community & Workforce Benefits..... 20
  - 4.5 Disaster Relief, Recovery, and Response ..... 23
- Section 5: Application ..... 23
  - 5.1 Application Timeline & Process ..... 23
  - 5.2 Application Components ..... 25
  - 5.3 Scoring Criteria..... 29
- Section 6: Grant Administration ..... 32

6.1 Funding Availability & Award Amount..... 32

6.2 Grant Agreement ..... 32

6.3 Grant Timeline ..... 33

6.4 Disbursements and Accounting of Funds ..... 33

6.5 Reporting Requirements..... 33

6.6 Non-Performance & Non-Compliance..... 34

6.7 Audits and Record Retention..... 35

6.8 Compliance with State and Federal Requirements ..... 36

6.9 Grantee Publicity Guidelines ..... 37

Appendix A: Definitions ..... 39

## Section 1: Introduction

### 1.1 Background

California has set ambitious goals to meet the urgency of the State’s concurrent housing and climate crises. Recognizing that the impact of these issues amplifies racial and economic equity gaps across the State, the California Strategic Growth Council (Council) aims to address public health, racial equity, local economies, energy efficiency, and access to affordable housing and sustainable transportation in California’s under-served communities through multi-benefit investment programs. Through these programs, SGC invests across the spectrum of capacity building and infrastructure implementation to center communities while advancing strategic growth in California. Following the passage of the Federal Inflation Reduction Act, SGC has prioritized opportunities to leverage State support and implement federal funding that will bring multi-benefit impacts to under-served communities in California.

On October 26, 2023, the Strategic Growth Council (Council) passed a resolution to [“Support Energy-Efficient Factory-Built Housing to Meet the State’s Climate, Housing, and Equity Goals.”](#) This resolution directed the Strategic Growth Council to:

“Coordinate with member agencies and departments of the Council, the California Air Resources Board, and other state entities, as needed and beneficial to the State, on the development of a pilot funding program that:

- a) Evaluates the potential of factory-built housing to reduce greenhouse gas emissions;
- b) Provides funding to support California facility expansion and/or establishment where the expansion would support an increased supply of homes built in a factory setting; and
- c) The project is eligible for and applying for federal assistance to build, utilize, or expand clean energy infrastructure, create jobs, and reduce emissions.”

To meet the goals of this resolution, SGC has launched a new initiative, the Factory Built Housing (FBH) Pre-Development Pilot Program (Pre-Development Pilot Program), to connect eligible and experienced housing producers with the financial and institutional support necessary to expand housing manufacturing and increase the supply of housing, especially multi-family affordable housing, across the State. The FBH Pre-Development Pilot Program makes State funds available to Applicants seeking federal financing for the construction or retrofitting of facilities dedicated to the production of FBH components. In addition to increasing the production of FBH for affordable homes, the Program aims to support the construction of single- and multi-family homes designed to the highest standards of energy efficiency and community benefit, while creating pathways for homeownership.

#### Factory Built Housing

SGC has identified factory-built housing (FBH) as an opportunity to accelerate progress towards the State’s housing, climate, and energy goals. Per the California Department of Housing and Community Development (HCD), FBH is defined as a residential building, dwelling unit, individual dwelling room, or combination of rooms, or building components, assembly, or

system manufactured so that all concealed parts or processes of manufacturing cannot be inspected before installation.

In California, newly constructed FBH is designed and manufactured to comply with HCD’s regulations (Title 25 of the California Code of Regulations), the California Factory-Built Housing Law, and the California Building Standards Code (CBSC or Title 24), including Title 24 Part 11 (CALGreen), the first-in-the-nation mandatory green building standards code with goals of energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality.

Research suggests FBH has the potential to address barriers to the State’s housing production and affordability goals while reducing emissions inherent in residential construction. Unlike conventional CALGreen-compliant site-built housing, FBH has the benefit of being built in a controlled environment. This allows FBH to be built without the typical weather constraints conventional housing is subject to, which allows for a more predictable production timeline and increased efficiency and production cost savings. Off-site construction also uses less material due to greater precision in fabrication techniques, provides more comfortable conditions for workers and a stable place of work rather than requiring extensive travel as in traditional construction, and provides greater economy of scale for bulk procurement of building materials since they can be procured for multiple projects at a time and stored onsite. Additionally, FBH can be manufactured concurrently in a factory while site elements (e.g., foundation, utilities, accessory buildings, etc.) are constructed, which provides the benefit of timesaving over site-built housing.

When applied to multi-family housing, the efficiencies associated with FBH hold great potential to lower the costs of infill and compact development and thus promote land use strategies that reduce transportation-related greenhouse gas emissions and support the implementation of regional Sustainable Communities Strategies.

As the FBH industry is growing across the nation and globe, there is an opportunity for the State to increase access to federal and private funding and accelerate the industry within California while prioritizing affordable housing, energy resiliency, and community and workforce benefits.

#### [Title 17 Clean Energy Financing Program](#)

Through the Inflation Reduction Act (IRA), the US Department of Energy Loan Programs Office (LPO) is able to provide loan authority through the [Title 17 Clean Energy Financing Program](#) (Title 17) to help finance clean energy projects, build energy infrastructure, create jobs, and reduce greenhouse gas (GHG) emissions across the United States. The LPO provides patient capital and flexible funding, while prioritizing community and workforce benefits.

Until recently, all projects funded under Title 17 were required to employ innovative technologies that were new or significantly improved relative to commercially available technologies. This distinction excluded projects that utilize established commercial technologies, from Title 17. Congress revised this requirement through the Bipartisan Infrastructure Law in 2023, and added a provision that extends eligibility to projects that reduce GHG emissions without using an innovative technology, as long as the projects receive

“meaningful financial support” from a [State Energy Financing Institution](#) (SEFI) and fall into one of the categories of eligible projects under the Title 17 program.

Congress enacted this change to Title 17 in part to provide access to debt for borrowers seeking to deploy already commercialized clean energy technologies. By providing loans and loan guarantees to SEFI-supported projects, the LPO can now offer project financing to a wider range of borrowers under Title 17.

In September 2023, the DOE designated the Strategic Growth Council as a SEFI, making entities that have received SGC funds potentially eligible for Title 17 financing. The DOE determines “meaningful financial support” from a SEFI on a case-by-case basis. SGC aims to provide meaningful financial support to eligible applicants through the FBH Pre-Development Pilot Program.

FBH manufacturing facilities that prioritize energy-efficiency, workforce development, and produce an end-use product that is energy-efficient are potentially eligible for funding under Title 17. LPO financing is an opportunity for FBH manufacturers to build new facilities or expand, repurpose, retrofit, or renovate existing facilities that are energy efficient and will produce housing that is energy efficient. Due to application-related costs such as technical, market and legal due diligence (including tasks such as producing engineering reports and drafting term sheets), most Title 17 loans are at least \$100M, as this is generally considered the point where an LPO loan becomes economically feasible. The LPO can guarantee up to 80% of eligible project costs, although many projects end up in the 50 – 70% range.

The Title 17 LPO application is split into two parts: Part I and Part II. Part I requires high-level project and applicant financials and ensures that the project is technically eligible for LPO financing. LPO’s Part II requires more details across financial modeling, community and workforce benefits, and implementation. Some applicants who pass Part I do not fully complete the Part II Application due to the high volume of capital and technical capacity required to complete pre-development across infrastructure and business planning. Due to the low profit margins within the FBH industry, this is a significant challenge for FBH manufacturers. SGC’s FBH Pre-Development Pilot Program will address this by offering financial support and capacity to Title 17 Applicants who have succeeded in Part I. The SGC FBH Pre-Development Pilot Program will support the continued expansion of FBH across the state, and thus accelerate the State’s ability to meet its housing, energy, and climate goals.

The FBH Pre-Development Pilot Program will be administered by SGC.

## 1.2 Funding Availability

A total of \$12,000,000 will be available for the SGC FBH Pre-Development Pilot Program, with individual grants ranging from \$1,000,000 to \$4,000,000. The Notice of Funding Availability (NOFA) will be released in Summer 2024, following the approval of these Guidelines by the Council. Applications will be reviewed on a rolling basis until March 2026 or until all funds are obligated.

### 1.3 California Climate Investments

The SGC FBH Pre-Development Pilot Program is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas (GHG) emissions, strengthening the economy, and improving public health and the environment— particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments must be located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: [www.caclimateinvestments.ca.gov](http://www.caclimateinvestments.ca.gov).

The California Air Resources Board (CARB) adopts [Funding Guidelines](#) for Agencies that Administer California Climate Investments (CARB’s Funding Guidelines). All agencies that administer California Climate Investments dollars must adhere to those Guidelines. The Legislature appropriates money from the California Greenhouse Gas Reduction Fund (GGRF) to administer California Climate Investment programs.

Pursuant to AB 1532 (Chapter 807, Statutes of 2012), Health and Safety Code Sections 39711-39723), California Greenhouse Gas Reduction Fund (GGRF) monies shall be used to facilitate reductions of greenhouse gas emissions and, where applicable and to the extent feasible, to:

- Maximize economic, environmental, and public health benefits to the state.
- Foster job creation by promoting in-state greenhouse gas emissions reduction projects carried out by California workers and businesses.
- Complement efforts to improve air quality.
- Direct investment toward the most disadvantaged communities and households in the state.
- Provide opportunities for businesses, public agencies, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce greenhouse gas emissions.
- Lessen the impacts and effects of climate change on the State’s communities, economy, and environment.

California Climate Investments refers to such benefits as “co-benefits.” Co-benefits from the SGC FBH Pre-Development Pilot Program may include:

- Support for local workforce development
- Local capacity-building
- Retention or creation of quality jobs or entrepreneurial activities
- Climate adaptation and community resiliency efforts

California Climate Investments are required to meet minimum levels of investments to projects that benefit residents of Disadvantaged Communities, Low-Income Communities, and Low-

Income Households, collectively referred to as “Priority Populations.” To count toward California Climate Investments’ statutory investment minimums, administering agencies must determine if a project meets the criteria for providing direct, meaningful, and assured benefits to Priority Populations by identifying that a project is located within a census tract identified as a Disadvantaged Community or Low-Income Community, or directly benefits residents of a Low-Income Household; that the project meaningfully addresses an important need; and that the project directly addresses the identified need.

The SGC FBH Pre-Development Pilot Program is funded through the Affordable Housing and Sustainable Communities (AHSC) Program’s continuous appropriation under CCI and contributes to the AHSC Program’s overall Priority Population funding targets of 75%. SGC will use the [Priority Populations Map](#) to determine if a project’s location may contribute to the California Climate Investments Priority Population funding targets. SGC will also use a [Benefit Criteria Table](#) to determine if investments have a direct benefit to Priority Populations.

### 1.4 Statutory Authority

AB 32 (Chapter 488, Statutes of 2006) and related amendments identify climate change as a serious threat to the economic well-being, public health, natural resources, and environment of California and established the Greenhouse Gas Reduction Fund (GGRF). Health and Safety Code Section 39719(b)(1)(C) apportions the Strategic Growth Council twenty percent (20%) of GGRF auction proceeds for the Affordable Housing and Sustainable Communities (AHSC) program on an annual basis. Health and Safety Code Section 39712(b) requires that GGRF monies be used to reduce GHG emissions consistent with the purposes of AB 32.

Public Resources Code Section 75210 established AHSC to: “reduce greenhouse gas (GHG) emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinate public policy objectives.”

Public Resources Code Section 75212 lists the types of projects eligible for funding under the AHSC. Specifically, Section 75212(g) authorizes the SGC to invest in “projects or programs designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing automobile trips and vehicle miles traveled within a community.”

Pursuant to Public Resources Code Section 75210, the FBH Pre-Development Pilot Program advances the AHSC statutory goals of, “reducing air pollution,” “improving conditions in disadvantaged communities,” “improving connectivity and accessibility to jobs, housing, and services,” and “preserving and developing affordable rental and owner-occupied housing for lower-income households” by supporting the expansion of energy efficient manufacturing and housing supply in the State through new or expanded businesses that will create additional jobs.

### 1.5 Program Summary

- **Eligible Entities:** Applicants that have submitted Part I of the DOE Title 17 Clean Energy Financing Fund, including financing firms and developers sponsoring decarbonization projects, as well as commercial firms and nonprofit organizations.





- **Eligible Proposals:** Proposals that are developing applications to the DOE Title 17 Part II Application to build new and/or expand, retrofit, or repurpose one or more existing FBH manufacturing facilities in California that produce an energy-efficient end-use product and advance co-benefits such as energy-efficiency, affordability, and community and workforce benefits. The SGC FBH Pre-Development Pilot Program seeks to prioritize manufacturing facilities that will significantly contribute to the inventory and production of multi-family homes that are affordable to renters and homebuyers across the State. However, Proposals for manufacturing facilities that produce single-family homes, accessory dwelling unit (ADU) homes, or other housing types that may be affordable to renters and homebuyers across the State are still eligible to apply.
- **Eligible Activities:** Pre-development costs to prepare the Part II Application, including community engagement to develop a Community Benefits Plan, financial and business plan preparation, and facility development planning. Costs supported by the SGC FBH Pre-Development Pilot Program must be considered eligible costs by the LPO to constitute meaningful support from a SEFI.
- **Funding Available:** \$1,000,000 - \$4,000,000 per grant.
- **Grant Term:** Two-year Project Completion Period; Two-year Reporting Period.
- **Grant Availability Type:** Competitive.
- **Match Funding Required:** Match funding is not required by SGC. While the LPO can lend up to 80% of eligible project costs, LPO typically lends between 50% and 70% of eligible project costs for manufacturing facilities in terms of loan-to-cost ratio. The LPO loan must also be positioned as senior secured debt; due to costs and pricing however, most applicants will seek to borrow over \$100M from LPO. SGC encourages potential applicants to discuss their approach with LPO directly by reaching out to LPO through the “Pre-Application Consultation Form.”
- **Disbursement Type:** Reimbursement for incurred costs.

## 1.6 Program Vision for Racial Equity

SGC is committed to advancing racial equity in its operations, investments, and policy initiatives and to achieving a vision in which all people in California live in healthy, thriving, and resilient communities regardless of race.

The Pre-Development Pilot Program integrates equity requirements and priorities through the application and proposal selection process. These requirements and policy priorities align with the objectives of the federal Justice40 Initiative, which requires that at least 40% of the overall benefits of certain Federal investments (including the Title 17 Clean Energy Financing Fund) flow to disadvantaged communities (DACs) that are marginalized by underinvestment and overburdened by pollution. Justice40 also requires meaningful community engagement between state and local decision-makers and DACs during decision-making processes about the use of those federal funds.

Justice40 policy priorities inform the requirements and priorities emphasized in site evaluation and selection, eligible activities, community and workforce benefits, community and labor engagement, application scoring criteria, and throughout the Program Guidelines.

## 1.7 Program Objectives

The SGC FBH Pre-Development Pilot Program’s key objectives are to:

1. Leverage SGC’s State Energy Financing Institution (SEFI) status to advance the development of energy-efficient factory-built housing factories by providing capacity building and meaningful financial support to Applicants of the LPO Title 17 Program.
2. Prioritize the production of factory-built, energy-efficient, affordable housing for rental or homeownership to accelerate progress towards the State’s housing, equity, and climate goals.

## 1.8 Program Timeline

The approximate timeline below is subject to change. The most up-to-date timeline and upcoming events will be found on the [SGC FBH Pre-Development Pilot Program website](#).

- **February 16, 2024:** Draft Guidelines Released
- **April 24, 2024:** Final Guidelines Adopted
- **Summer 2024:** Notice of Funding Availability (NOFA) Released
- **Summer 2024 – Spring 2026:** Applications accepted on a rolling basis, every two months
- **Fall 2024 – Summer 2026:** Applications recommended for Council adoption on a rolling basis.
- **Project Completion Period:** Two (2) years from grant execution. All Part II applications must be submitted to the DOE prior to September 2026
- **Performance Period:** Two (2) years after Project completion

## Section 2: Eligibility

### 2.1 Eligibility Requirements

To be considered for a SGC FBH Pre-Development Pilot Program award, Applicants must meet SGC’s minimum eligibility requirements as stated below in Sections 2.2 and 2.3, including submission of Part I of the Title 17 application and receipt of an invitation to submit a Part II application. As the intent of the Pre-Development Pilot Program is to leverage and complement the LPO’s Title 17 Program, Applicants should review the following documents provided by the DOE.

- [Title 17 Resource Page](#)
- [Title 17 Program Guidance](#)
- [Title 17 Pre-Application Consultation](#)
- [Title 17 Application Part I Guidance](#)
- [Title 17 Application Part II Guidance](#)

### 2.2. Eligible Applicants

Applicants must provide documentation that they have submitted Title 17’s Part I Application to build, expand, retrofit and/or repurpose one or more energy-efficient factory-built housing manufacturing facilities in California. Applicants that qualify under the LPO Title 17 Program include financing firms and developers sponsoring decarbonization projects, as well as commercial firms and nonprofit organizations. Throughout the grant term, Applicants must



work with partners local to the proposed facility to create and implement a Community Benefits Plan, as required by the Department of Energy.

Applicants may include:

- California Native American Tribes
- Faith-based organizations, and non-governmental organizations (NGOs). Such NGOs may include community-based organizations and may be supported by fiscal sponsors. Such NGOs need not be 501(c)(3) organizations but must be legal entities authorized and empowered to enter into agreements and hold funds.
- Private sector (Firms and developers, philanthropic organizations, and other for-profit entities)
- Partners or coalitions that include the entities above.

### 2.3 Eligible Proposals

Eligible Proposals must:

- Advance the development of the Title 17 Part II application and intend to reach Step 5, Financial Close with the LPO for a project that will build, expand, retrofit and/or repurpose one or more energy-efficient factory-built housing manufacturing facilities in California.
- Involve pre-development and planning activities that do not include “public work,” such as construction, alteration, demolition, installation, repair, or maintenance work.
- Ultimately build and/or retrofit one or more FBH manufacturing facilities in California and produce energy-efficient housing in California for residents of the state.

FBH manufacturing facilities must adhere to the following definitions and standards to produce in the State of California:

- “Factory-Built Housing” as set forth in Health and Safety Code Section 19971 means a residential building, dwelling unit, or an individual dwelling room or combination of rooms thereof, or building component, assembly, or system manufactured in such a manner that all concealed parts or processes of manufacture cannot be inspected before installation at the building site without disassembly, damage, or destruction of the part, including units designed for use as part of an institution for resident or patient care, that is either wholly manufactured or is in substantial part manufactured at an offsite location to be wholly or partially assembled onsite in accordance with building standards published in the California Building Standards Code and other regulations adopted by the commission pursuant to Section 19990. Factory-Built Housing does not include a mobile home, as defined in Section 18008, a recreational vehicle, as defined in Section 18010.5, or a commercial modular, as defined in Section 18012.5.
- In California, newly constructed FBH is designed and constructed to comply with Title 25 of the California Code of Regulations, the California Factory-built Housing Law, and the California Building Standards Code (Title 24), including Part 11 the California Green Buildings Standards (CalGreen).



- All FBH components and systems that are offered for sale within California to first users (meaning a person, firm, or corporation who initially installs FBH or FBH components) shall bear an insignia of approval issued by the HCD, in accordance with California Health and Safety Code, section 19980, and HCD regulations. The manufacturing of FBH is regulated by the HCD through their Factory-Built Housing Program.

**DOE Eligible Project & SGC Eligible Proposal Requirements**

For the purpose of the SGC FBH Pre-Development Pilot Program, these terms are so defined:

- “Proposals” are the work product that Applicants applying to the SGC FBH Pre-Development Pilot Program aim to develop, such as the application to and supporting components for the Title 17 Program.
- “Projects” are the construction and operations of the factory-built housing manufacturing facility that Applicants aim to implement, with support from SGC’s FBH Pre-Development Pilot Program and the DOE’s Title 17 Program.

The table below provides a high-level comparison of DOE Title 17 Project Eligibility requirements and SGC FBH Pre-Development Pilot Program requirements. Applicants to SGC’s FBH Pre-Development Pilot Program must meet all applicable DOE requirements and all SGC requirements.

Applicants are highly encouraged to review [Section III of Title 17 Clean Energy Financing Program Guidance](#) for greater detail on DOE requirements. SGC also strongly encourages Applicants to utilize the LPO’s no-fee, no-commitment Pre-Application Consultation to discuss their proposed project and learn more about the LPO’s process before formally applying.

**Table 1: DOE Eligible Project & SGC Eligible Proposal Requirements**

DOE Title 17 Project Requirements	SGC FBH Pre-Development Pilot Program Proposal Requirements
<p><b>Must be located in the United States</b>, defined as the several states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States of America.</p>	<p>Applicants outside of California are eligible to apply, but all eligible proposals must seek to build and/or retrofit one or more energy-efficient factory-built housing manufacturing facilities in California that produce homes for residents of California.</p>
<p><b>Must be an energy-related project</b> that concerns the production, consumption, transportation, or storage of energy, or related manufacturing activities; or support industrial decarbonization, critical minerals, and other components or eligible energy-related project categories under section (b) of Title 17.</p>	<p>No additional requirements.</p>
<p><b>Must avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.</b> Additionally, any project under Section 1706(a)(1) involving electricity generation through the use of fossil fuels must have controls or technologies to avoid,</p>	<p>No additional requirements.</p>

DOE Title 17 Project Requirements	SGC FBH Pre-Development Pilot Program Proposal Requirements
reduce, utilize, or sequester air pollutants and anthropogenic emissions of greenhouse gases.	
<b>Must involve technically viable and commercially ready technology, defined as technology</b> that has been demonstrated at near commercial-scale under expected process conditions with results supporting the expected performance of the proposed deployment. Performance data from testing at pilot and demonstration scales must have been performed and be available for review in order to confirm commercial readiness. Applications will be denied if the proposed project is for research, development, or demonstration.	No additional requirements.
<b>Must include a Community Benefits Plan with an analysis of how the proposed project will engage with and effect associated communities.</b> The application should identify community benefits, including economic, social, environmental, and equity considerations, as well as potential harms that would need to be mitigated over the life of the project. The project should have support from relevant stakeholders. Borrowers are expected to report on elements of this information as part of ongoing reporting requirements.	A Community Benefits Plan is not required to apply for the FBH Pre-Development Pilot Program, as eligible program costs include activities to develop the CBP.
<b>Must be a Reasonable Prospect of Repayment</b> , i.e., a reasonable prospect that the applicant will be able to repay the principal and interest on the guaranteed loan and any other project debt incurred.	No additional requirements.
<b>Must not benefit from prohibited federal support.</b> DOE cannot issue loan guarantees to projects that are expected to benefit from certain other forms of federal support (“Federal Support Restriction”), including grants, cooperative agreements, or other loan guarantees from federal agencies or entities. Otherwise, allowable federal tax benefits, including energy production and investment tax credits, are excluded from the Federal Support Restriction.	No additional requirements. SGC highly recommends Applicants thoroughly explore this item during their Title 17 Part I process, prior to applying for the SGC FBH Pre-Development Pilot Program.
Receives meaningful financial support or credit enhancements from a State Energy Financing Institution (SEFI).	The SGC FBH Pre-Development Pilot Program will provide meaningful support from a SEFI (SGC). Please note that costs supported by the Program must be considered eligible by the LPO to constitute meaningful support from a SEFI. The DOE

DOE Title 17 Project Requirements	SGC FBH Pre-Development Pilot Program Proposal Requirements
	evaluates “meaningful support” on a case-by-case basis.
Involves one or more of the thirteen 17 Eligible Technologies.	Projects must be an “efficient end-use energy technology” as defined by the DOE.

## 2.4 Eligible Costs & Activities

Costs to support Part II of the DOE Title 17 LPO Application to establish energy efficient FBH manufacturing facilities in California are generally eligible for reimbursement, unless otherwise noted this section. To constitute “meaningful financial support” from a SEFI, costs supported by the SGC FBH Pre-Development Pilot Program must be considered eligible by the LPO. Applicants should work closely with both LPO and SGC on how grant funds from SGC will be expended to maximize the amount that contributes as “meaningful financial support”.

### Direct Costs

Direct costs are defined as costs completely attributed to the implementation of the Grant Agreement. Direct costs incurred after the grant award but prior to the grant agreement execution and specified in the Grant Agreement may be eligible for reimbursement but adhere to the same requirements below.

Direct costs may include, but are not limited to:

- Personnel costs for applicant staff, contractors, and vendors;
- Equipment and supplies costs;
- Travel expenses directly tied to the implementation of the grant
  - Travel reimbursements must adhere to the State rates and conditions established on the [CalHR website](#), except for “incidentals” and out-of-state travel, which will not be reimbursable under this grant.

Other direct costs may be considered on a case-by-case basis as proposed by Applicant in submission to the FBH Pre-Development Pilot Program

### Eligible Activities

Eligible activities for the Pre-Development Pilot Program include:

- General pre-development activities to research, develop, and prepare the Title 17 Part II application, such as: feasibility studies; market analysis; environmental assessments, surveys, and remediation; site acquisition; site and development plans; project designs; permitting; financial planning (e.g., preliminary budget and construction financing).
- Basic planning for infrastructure to retrofit one or more existing factory and/or build a new factory in California.
- Local community and workforce engagement activities to direct benefits from the FBH factory to the local community, including but not limited to: creating a Community Benefits Plan; forming partnerships to increase local workforce opportunities; mitigating negative impacts from the factory; and advancing DOE’s Justice40 priorities.

- Market development to support the expansion of the California market for factory-built energy-efficient affordable housing such as trainings and convenings for cross-sectoral industry partners like lenders, affordable housing developers, energy technology developers, and public sector partners. Costs for this activity are limited to \$10,000 throughout the grant term and must align with an SGC approved market development strategy. Strategies that advance multi-family affordable housing and align with the goals of the Affordable Housing & Sustainable Communities Program will be prioritized.

To constitute “meaningful financial support” from a SEFI, most costs supported by the SGC FBH Pre-Development Pilot Program must be considered eligible by the LPO. Applicants should consult with the LPO to determine this.

### Indirect Costs

Indirect costs are costs that are not readily identified with a specific project activity, contract, or function, but that are necessary for the general advancement of a project.

Indirect costs may account for up to ten percent (10%) of the total grant award, minus any funds for equipment purchases with a per unit cost of \$5,000 or more. The 10% maximum of indirect cost applies to all entities, including University of California (UC) and California State University (CSU) entities. California Native American Tribes may request a higher indirect cost rate, provided the applying California Native American Tribe substantiates the rate with supporting documentation.

Documentation related to the determination of the Grantee’s indirect cost rate must be retained by the Grantee for audit purposes.

### Reasonableness

All costs must be reasonable. A cost is considered reasonable if, in its nature and amount, it does not exceed that which a prudent person would incur under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, an applicant should consider the following:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of this Grant Agreement;
- The restraints or requirements imposed by factors such as sound business practices, arm’s-length bargaining, federal, state, local, tribal, and other laws and regulations, provisions of these Guidelines, and terms and conditions of the Program Grant Agreement;
- Market prices for comparable goods or services for the geographic area;
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to its employees, the public at large, and the State; and
- Whether the cost significantly deviates from the acquiring entity’s established practices and policies regarding the incurrence of costs.



### Ineligible Costs

The following costs are ineligible for reimbursement under the FBH Pre-Development Pilot Program:

- The following costs associated with community engagement and outreach:
  - Alcoholic refreshments.
  - Participant incentives, such as door prizes, which are unrelated to specific community work products.
  - General meetings that do not specifically discuss or advance implementation of the Proposal or Project.
- Lobbying or advocacy work, such as direct lobbying for the passage of specific bills or local propositions;
- Commission fees;
- Operating costs;
- Expenses for publicity not related to the awarded Proposal implementation;
- Bonus payments of any kind;
- Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise;
- Services, materials, or equipment obtained under any other State program
- Costs incurred between the date of Part I application to LPO and environmental clearance (e.g., Authority to Use Grant Funds), in accordance with 10 CFR Part 1021, that constitute an adverse environmental impact or that limit the choice of reasonable alternatives pursuant to 40 CFR 1506.1
  - Such actions may jeopardize the viability of the Project to receive an LPO award and are therefore prohibited and ineligible.

### Section 3: Program Thresholds

This section lists the minimum requirements for a Proposal to be considered for an award under the SGC FBH Pre-Development Pilot Program. Threshold requirements are required but unscored elements of the application.

Projects will be reviewed and scored only after meeting threshold requirements. Applications that do not comply with these thresholds are deemed ineligible to receive funds and will not be scored.

#### 3.1 DOE Title 17 Part I

Applicants must demonstrate proof that they have submitted Part I of the Title 17 Application and are preparing to submit Part II of the Application.

#### 3.2 Site-Readiness

The Title 17 Part I application requires applicants to provide the status of planning documents that demonstrate site readiness, including a construction plan (to include site acquisition and equipment deployment, as applicable), operation and maintenance plan, waste disposal plan, and preliminary risk management plan.



Following federal and state environmental clearance, Applicants to the SGC FBH Pre-Development Pilot Program may secure their project site and permits during the Grant Term. At the time of application, Applicants must demonstrate their progress toward securing sites and permits at the time of application by providing the following information:

1. Description of Applicant’s progress-to-date toward identifying and securing a site;
2. Description of the zoning designation(s) and entitlements required to operate the proposed facility and a clear timeline for when zoning designation(s) and entitlements will be obtained.
3. Identification of all permits required to implement the proposed facility and a clear timeline for when permit(s) will be obtained; and

### 3.3 Applicant Capacity

Applicants must demonstrate the project team’s collective capacity to build or retrofit and operate a manufacturing facility to produce factory-built housing by providing one or more examples of projects/experience building and/or operating a manufacturing facility, developing affordable housing, and/or developing efficient end-use energy technologies.

Applicants that are not able to provide project examples that are similar to the proposed project must provide a description of previous experience that are relevant to the SGC FBH Pre-Development Pilot Program. The Applicant must describe how their previous experience demonstrates sufficient expertise and capacity to implement the proposed project.

Applicants must provide a letter of support from one (1) reference who can speak to the quality and timeliness of work completed by the Applicant.

### 3.4 Financial Capacity

Applicants must demonstrate financial capacity to develop and manage the proposed facility, including investment in the venture to-date and anticipated investment during the construction and operation phase of the facility; proposed equity investment in the project; and the project’s strategic significance for the Applicant.

Applicants must also demonstrate the financial capacity to adhere to the SGC FBH Pre-Development Pilot Program reimbursement processes as defined in the Grant Agreement.

To demonstrate financial capacity, Applicants must provide a current annual organizational budget and recent financial statements, as specified in the application.

Non-profit organizations must submit a copy of their most recent Federal Form 990 and a copy of the organization’s IRS 501(c)(3) Tax Determination Letter in addition to a current annual budget and recent financial statements.

Any Applicant that received an audit finding or a civil or criminal judgment in the last five (5) years is required to disclose it in the application in an official letter.

### 3.4 Energy Efficiency

The Applicant must comply with the California Building Standards Code (Title 24), Building Energy Efficiency Standards Code (Title 24, Part 6), California Green Building Standards (Title 24,

Part 11) and all relevant DOE Title 17 building efficiency requirements. The Applicant must build an efficient end-use energy technology, as defined by the DOE.

## Section 4: Broader Alignment with SGC and State Housing & Climate Goals

The following section describes key SGC and State housing and climate goals that have the potential to align with the development and operations of housing manufacturing in the California. While contributions to each of these goals is not required for participation in the program, the most competitive applicants to the SGC FBH Pre-Development Pilot Program will propose facilities and products that further these goals.

Commitments to further SGC and State goals will be incorporated into the FBH Pre-Development grant agreement. Throughout the period of the grant agreement, successful Applicants must demonstrate fulfillment or progress on commitments referenced in and underlying the proposal application. The Part II application must be consistent with the Applicant commitments, unless otherwise waived by SGC.

### 4.1 Affordable Housing

To help meet the challenges posed by California's housing crisis, the SGC FBH Pre-Development Pilot Program seeks to prioritize manufacturing facilities that will significantly contribute to the inventory and production of multi-family homes that are affordable to renters and homebuyers across the State. However, Proposals for manufacturing facilities that produce single-family homes, accessory dwelling units (ADU) homes, or other housing types that may be affordable to renters and homebuyers across the State are still eligible to apply.

While housing production is not explicitly emphasized in the DOE LPO Title 17 Program, it is a primary focus of the SGC FBH Pre-Development Pilot Program and a central objective of SGC's Affordable Housing and Sustainable Communities (AHSC) Program allocation (see Section 1.4 Statutory Authority).

The SGC FBH Pre-Development Pilot Program builds on AHSC's affordability standards as the foundation for the affordability commitment. The Pre-Development Pilot Program will prioritize support for Applicants who demonstrate their ability to dedicate at least 30% of the homes produced during the first five (5) years of proposed facility operation to:

- Affordable rental homes for Low-Income Households (<60% AMI) regulated for at least 55 years in California and/or
- Affordable homes for ownership for households below 120% AMI regulated for at least 30 years in California.
- Homes are inclusive of single-family, multi-family, and accessory dwelling units (ADUs). The Program will prioritize support to facilities that produce multi-family homes. Other typologies may be included and should be defined in the application.
- Homes must be restricted via a legally enforceable mechanism such as a covenant, deed restriction, or regulatory agreement for the minimum amount of years. The legal mechanism must regulate the occupancy and disposition of the qualifying homes to



households that meet the standards for the definition of Affordable Housing as defined for this Program.

Applicants will be required to demonstrate their ability to achieve the affordability commitment in the DOE LPO Part II application business plan and financing plan. Successful implementation of this commitment will likely require Applicants to partner with housing developers and housing project owners to deploy manufactured homes into regulated sites.

## 4.2 Energy Efficiency and Resiliency

Applicants should demonstrate how the project will advance California’s goal of carbon neutrality by 2050 by describing how the project will reduce greenhouse gas emissions and advance energy efficiency and resilience through the practices, technologies, materials, and design features employed both in the factory and in the homes produced.

To improve the Applicant’s prospect of securing LPO loan support, the proposed project should include energy efficiency and resilience features such as distributed energy resources, EV charging stations for workers, production of homes with renewable energy storage, resilience, and/or grid interactivity features, and more.

Furthermore, applicants who commit to incorporate additional energy efficiency and resilience measures into the design, construction, and operation of their proposed facility or factory-build homes are eligible to receive additional points in proposal scoring. Measures must be verifiable and should be aligned with recognized standards, such as CAL Green Title 24 Part 11 Voluntary Measure for [Residential \(Appendix 4\)](#) and [Nonresidential \(Appendix 5\)](#) structures.

## 4.3 Site Selection

### 4.2.1 Consistency with Existing Land Use Policy

Applicants are encouraged to demonstrate the consistency of their project with relevant local or regional plans such as general plans, Sustainable Communities Strategies, economic development plans, and applicable goals, policies, and programs.

### 4.2.2 Excess Lands

To address the housing shortage in California, Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify and prioritize the use of excess state-owned properties as housing sites and to aggressively pursue sustainable, innovative, cost-effective housing projects.

Applicants interested in siting their factory on land designated as Excess Land (in accordance with Executive Order (EO) N-06-19) may indicate their intention in the proposal application.

Applicants can visit the [DGS Statewide Affordable Housing Opportunities Sites database](#) for a comprehensive GIS-enabled inventory of excess state-owned parcels. Note that not all excess sites are suitable for development of manufacturing facilities, and that the eligibility of a proposed site is at the discretion of DGS.

## 4.4 Community & Workforce Benefits

A [Community Benefits Plan \(CBP\)](#) is required by the DOE as a component of the Title 17 Part II application. To support the completion of an applicant’s Part II application, the FBH Pre-Development Pilot Program includes the development of a CBP as an eligible activity. The DOE can discuss and provide feedback on the CBP to potential Applicants during a pre-application consultation. SGC highly recommends Applicants utilize this resource.

If a Proposal includes more than one project site, Applicants will be expected to develop a Community Benefits Plan that addresses community and workforce benefits across all sites.

Per DOE requirements, CBPs submitted for Part II applications should address four key community and workforce priorities:

1. **Community and Labor Engagement:** Early, meaningful, and robust community and labor engagement is key to reducing risks on a project, including engagement with labor unions, Tribal governments, local governments, and community-based organizations that support or work with underserved communities.
2. **Quality Jobs:** A well-qualified, skilled, and trained workforce is necessary to ensure project stability, continuity, and success and to meet program goals. The CBP is focused on both construction and operations jobs.
3. **Diversity, Equity, Inclusion, and Accessibility (DEIA):** DEIA initiatives and programs seek to advance the participation of underserved and underrepresented groups.
4. **President Biden’s [Justice40 Initiative](#)** requires that 40 percent of the benefits from certain federal investments, including all LPO loans, flow to disadvantaged communities (DACs), as defined by the White House Climate and Economic Justice Screening Tool. CBPs should outline how the proposed project will benefit DACs and mitigate any potential negative effects on these communities.

Applicants to the FBH Pre-Development Pilot Program should describe engagement progress and activities with local stakeholders to date and/or their strategy and planned activities for future engagement efforts.

Local stakeholders may include community-based organizations, Tribal governments, workforce development organizations, labor unions, and other entities that support or facilitate inclusive community and workforce development in the Project Area.

### 4.4.1 Community & Labor Engagement

The FBH Pre-Development Pilot Program requires Applicants to directly engage with local stakeholders to develop a Community Benefits Plan that provides direct, meaningful, and assured benefits to federally defined disadvantaged communities and/or California Climate Investments Priority Populations. If Applicants are developing manufacturing-facilities on more than one site, then all sites should be included in the Community Benefits Plan.

Throughout the grant term, the Applicant must ensure that local stakeholders’ needs are identified and addressed through a documented outreach and engagement process to develop the Community Benefits Plan. Applicants must tailor community engagement to their project

area through partnerships with local stakeholders. Applicants should also use proven methods of engagement to facilitate direct participation of community residents, including translation of meetings and materials, scheduling meetings at times that are convenient to community members, and engaging community members in information gathering as well as outreach.

Applicants should describe how they will advance diversity, equity, inclusion, and accessibility (DEIA) in the local community of the FBH factory through potential partnerships with business organizations, educational institutions, and workforce training organizations that serve underrepresented workers who face barriers to accessing high-quality jobs. These measures should aim to strengthen the Applicant and project’s ties with the local community, diversify supply chains, and contribute to the health and robustness of the surrounding community.

To apply to the FBH Pre-Development Pilot Program, Applicants must share an engagement strategy that identify specific local stakeholders, describes their engagement thus far, additional stakeholders they plan to meet, and how local stakeholders will remain engaged throughout the development of the Community Benefits Plan and Part II application and implementation. Applicants should also describe strategies to advance DEIA throughout the community and workforce engagement.

Applicants may also demonstrate prior experience working with local stakeholders, including community and labor engagement, to develop a FBH manufacturing facility or a similar project that required an understanding of DOE Community Benefit Plans four core policy priorities and/or advanced the eight policy priorities of Justice40.

#### 4.4.2 Quality Jobs and Workforce Continuity

Applicants should demonstrate how they will create “good jobs” through the construction of the FBH manufacturing facility and the operations of the facility, once operational. The [US Department of Labor defines a “good job”](#) as a job that:

1. Provides fair, transparent, and equitable pay that exceeds the local average wage for an industry.
2. Delivers basic benefits (e.g., paid leave, health insurance, retirement/savings plan, access to affordable, reliable, and high-quality child care/long-term care for loved ones, and transportation).
3. Provides workers with an environment in which to have a collective voice.
4. Helps the employee develop the skills and experiences necessary to advance along a career path.
5. Provides predictable scheduling, and a safe, healthy, and accessible workplace devoid of hostility and harassment.
6. Has employees properly classified with the limited use of independent contractors and temporary workers.
7. Protects workers’ statutory right for a free and fair choice to join a union under the National Labor Relations Act (NLRA).

Applicants should also demonstrate how they will create “good jobs” and/or workforce opportunities through the FBH manufacturing facility and demonstrate how these jobs will



benefit the local community. Applicants should also describe strategies to advance DEIA through this.

#### 4.4.3 Site Evaluation

If the Applicant has identified a site, they must demonstrate an understanding of the community surrounding the Project, the potential impacts of the Project, and methods to mitigate negative impacts.

The Applicant must identify if their site is on a “**disadvantaged community**” (DAC) as defined by the White House Climate and Economic Justice Screening Tool (CEJST) and/or a “Priority Population” as defined by the State of California. The Justice40 initiative directs that 40% of the overall benefits of certain Federal investments, including Title 17, support “disadvantaged communities.” The DOE recognizes the “geographic” definition of “disadvantaged communities” as those census tracts defined by the [White House Climate and Economic Justice Screening Tool \(CEJST\)](#).

In the State of California, “**Priority Populations**” include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B of the GGRF Funding Guidelines for more information on the definitions. The Priority Populations Map is available at:

<https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348>.

If the site is in or surrounded by either a Justice40 DAC or a Priority Population, Applicants should describe the potential negative impact of the Project to the surrounding community and propose measures to mitigate the impacts. Applicants should describe how and when anticipated benefits are expected to flow to the Justice40 disadvantaged community and/or California Climate Investments Priority Population may receive.

Applicants should demonstrate a thorough understanding of site impacts and a commitment to mitigation efforts. Applicants should demonstrate whether they have evaluated, are aware of, or have identified any expected negative impacts to the surrounding community or communities from the proposed Project site, including how Applicant intends to mitigate these impacts. SGC will also use a Benefit Criteria Table to determine if investments have a direct benefit to Priority Populations. The Benefit Criteria Tables for this program will be available at: [www.arb.ca.gov/ci-resources](http://www.arb.ca.gov/ci-resources).

#### 4.4.4 Department of Energy Implementation of Justice40

The DOE Office of Energy Justice and Equity has identified eight policy priorities to guide DOE’s implementation of Justice40. Applicants will be asked to describe how their Project advances the DOE’s Justice40 policy priorities.

1. Decrease energy burden in disadvantaged communities (DACs).
2. Decrease environmental exposure and burdens for DACs
3. Increase parity in clean energy technology (e.g., solar, storage) access and adoption in DACs.



4. Increase access to low-cost capital in DACs.
5. Increase clean energy enterprise creation and contracting (MBE/DBE) in DACs.
6. Increase clean energy jobs, job pipeline, and job training for individuals from DACs.
7. Increase energy resiliency in DACs.
8. Increase energy democracy in DACs.

#### 4.5 Disaster Relief, Recovery, and Response

In addition to an ongoing housing shortage, California has experienced a series of major natural disasters in the past decade and anticipates more in the coming years. According to the 2023 California State Hazard Mitigation Plan, “historically, California has been most impacted by floods, wildfires, and earthquakes. Due to the impacts of climate change, drought and extreme heat have become significant hazards”.

The FBH Pre-Development Pilot Program seeks to support Projects that will expand the inventory, quality, and variety of hazard-resilient factory-built homes that can be deployed into disaster-impacted communities as temporary or long-term housing.

To further this goal, the Program will give additional consideration to Applicants that make meaningful commitments to support disaster recovery efforts and may award points to those applications that provide clear and feasible strategies, such as:

- Production of high-quality resilient homes that can be deployed quickly after a disaster as temporary or permanent housing that can be converted to permanent housing.
- Coordination of or participation in a multi-stakeholder, interagency process to develop design specifications, procurement and distribution processes, or other critical procedures that accelerate post-disaster housing deployment.
- Collaboration with facility’s proposed host community and surrounding jurisdictions to assess siting and zoning considerations for potential post-disaster shelter and housing needs.
- Other strategies as proposed by an Applicant.

### Section 5: Application

#### 5.1 Application Timeline & Process

The approximate FBH Pre-Development Pilot Program timeline is listed below but is subject to change. Please visit the [FBH Pre-Development Pilot Program website](#) for the most up-to-date program timeline, deadlines, and upcoming events.

- **April 24, 2024:** Final Guidelines Adopted
- **June 26, 2024:** Final Guidelines Amended
- **Summer 2024:** Notice of Funding Availability (NOFA) Released
- **Summer 2024 - Spring 2026:** Applications accepted on a rolling basis, every two months.
- **Fall 2024 - Summer 2026:** Applications recommended for Council adoption on a rolling basis.
- **Project Completion Period:** Two (2) years from grant execution.



Applications for the FBH Pre-Development Pilot Program will be evaluated and scored through a competitive process. Applications will be evaluated and scored according to adherence to the application components and scoring criteria described below. SGC will ultimately select eligible proposals that demonstrate the elements necessary to successfully complete the DOE Title 17 Part II Application to build, retrofit, or repurpose an energy-efficient housing manufacturing facility in the state of California while advancing SGC's priorities.

#### 5.1.1 Application Review Process

SGC will accept applications every two months until March 2026 or until funds are obligated. If a Proposal is recommended for award, Applicants can expect their Proposal to be presented to the Council for consideration within two to four months of their submittal date.

After the application deadline, staff will conduct a completeness check of application materials. To be considered, Applicants must submit a full and complete application by providing all requested information, answering all questions, and submitting all required application attachments listed in Section 5.2.

Applicants missing application information will be notified by Program staff and must abide by the following parameters:

- If an Applicant is contacted by SGC because of missing information, they will have two (2) business days to provide the missing information.
- If the Applicant does not provide requested information within the two-day period, the application will be deemed incomplete and ineligible.
- The application correction process does not act as a deadline extension.
- Applicants should submit complete application packets. Evidence of purposeful submission of an incomplete application to acquire additional time will result in disqualification of the application.

Projects will be reviewed and scored only after meeting threshold requirements. Threshold requirements are required but unscored elements of the application. Applications that do not meet threshold requirements will be deemed ineligible to receive funds and will not be scored.

Applications that meet threshold are scored by a SGC and an interagency review panel. Top-scoring applicants will be invited to a one-hour interview with SGC and an interagency review panel, after which scores from the interview will be added to the total and final score.

SGC staff will recommend awards to the Council, who will vote to approve the awards in public Council Meetings. At least 10 calendar days prior to the Council Meeting, SGC staff will post summary information about each of the proposals submitted for consideration, including whether they are recommended for award.

If none of the applications meet threshold requirements, SGC may issue a revised solicitation.

#### 5.1.2 Unselected Applicants

FBH Pre-Development Pilot Program staff will notify applicants who were not selected via email. Unselected applicants may request an application debrief meeting with Program staff to



discuss application deficiencies and scoring. If the application is still open, unselected applicants may re-apply one time.

### 5.1.3 Public Records Act

All applications and submitted materials are subject to the California Public Records Act (GC § 6250) requirements and certain information may be publicly disclosed under those requirements. Materials will remain confidential through the evaluation process and after the application is submitted; however, all submitted documents may be made publicly available after SGC announces awarded projects.

## 5.2 Application Components

This section lists the components, including narratives, documents, and documentation that must be included in an application package.

### 5.2.1 Applicant Eligibility Thresholds

Applicants must provide documentation and/or demonstrate the following to pass eligibility thresholds.

Applicants must provide documentation that they have submitted the Title 17 Part I Application and are preparing the Part II Application to build, expand, retrofit and/or repurpose one or more energy-efficient factory-built housing manufacturing facilities in California. Applicants must also describe their progress-to-date and plan to complete site readiness requirements. To demonstrate this, Applicants must provide the following components:

- **US DOE LPO Title 17 Application Materials – Parts I and II**
  - Complete and final DOE LPO Title 17 Program Part I application.
- **Site Readiness Status Reports (Updates to Part I application)**
  - **Planning Document Report** on the status of required US DOE LPO Part II application project planning documents including a construction plan (to include site acquisition and equipment deployment, as applicable), operation and maintenance plan, waste disposal plan, and preliminarily risk management plan.
  - **Permitting and Zoning Report** on Applicant’s progress securing site permits and required entitlements and zoning designation to operate proposed facility per US DOE LPO Part II application requirements. This progress report should include:
    - Description of Applicant’s progress-to-date toward identifying and securing a site;
    - Identification of all permits required to implement the proposed facility and a clear timeline for when permit(s) will be obtained; and
    - Description of the zoning designation(s) and entitlements required to operate the proposed facility and a clear timeline for when zoning designation(s) and entitlements will be obtained.

Applicant’s project team must possess prior experience with successfully executing projects similar in type and scale to the proposed Project or possess sufficient prior experience relevant to the project, such as building and/or operating a manufacturing facility, developing affordable

housing, and/or developing efficient end-use energy technologies. To demonstrate this, Applicants must submit the following documentation:

- Listing of key project and proposal roles
  - For each role, please include title, role description, anticipated level of effort, and the individual identified to fill that role. For each individual, please provide a resume and qualifications and a summary of similar work or studies.
- Resumes or equivalent to demonstrate that minimum qualifications are met or exceeded.
- Applicants should provide a letter of support from one (1) reference who can speak to the quality and timeliness of the Applicants past projects.

Applicants must demonstrate financial capacity to carry out completion of the US DOE LPO Part II application and the proposed project. To demonstrate financial capacity, Applicants must submit the following documentation:

- Current annual organizational budget and recent financial statements, as specified in the Program Application.
- Facility specific financial statements for past two (2) years (if available).
- Non-profit organizations must submit a copy of their most recent Federal Form 990 and a copy of the organization’s IRS 501(c)(3) Tax Determination Letter in addition to a current annual budget and recent financial statements.
- Any Applicant that had an audit finding, civil, or criminal judgment in the last five (5) years is required to disclose it in the application in an official letter.

The Applicant must demonstrate they will comply with the California Building Standards Code (Title 24), the Building Energy Efficiency Standards Code (Title 24, Part 6), CAL Green (Title 24, Part 11), and all relevant DOE Title 17 building efficiency requirements. The Applicant must build an efficient end-use energy technology, as defined by the DOE.

The Proposal must be for eligible pre-development and planning activities that do not include “public work” such as construction, alteration, demolition, installation, repair or maintenance work.

### 5.2.2 Description of Proposed Facility and Production

Applicants should provide a description of the proposed facility or facilities.

- Description of geographic location(s) where the SGC grant funds will be expended, including locations where staff time for pre-development activities and preparation of the US DOE LPO Part II application will be completed.
  - Location(s), preferably at the census tract level, where SGC grant funds will be expended.
  - Map of location(s) relative to Priority Populations as defined by California Climate Investments and Disadvantaged Community (DAC) census tracts as defined by the White House Screening Tool.
- Description of the proposed manufacturing facility or facilities, including:

- Estimated facility square footage, location, lot size, site amenities, facility footprint, and other key details demonstrating the production capacity of the proposed facility.
- Anticipated or target annual facility capacity for factory-built housing unit development.
- Description of factory-built homes that will be manufactured at facility or facilities, including:
  - Unit Type(s): Single-family, multi-family, and/or commercial units.
  - Unit Size(s): Estimated unit sizes, including overall square footage, and number of bedrooms (for residential units).
  - Unit Cost: Anticipated average cost per unit for each unit type.
  - Unit Quantities: Expected quantity of housing units of each type, size, and cost.
- Preliminary development and financing plans for manufacturing facility including investment in the venture to-date, anticipated investment during the construction and operation phase of the facility and proposed equity investment in the project.
  - If the Applicant is leveraging funds from multiple sources of California Greenhouse Gas Reduction Fund (GGRF) dollars or if the Applicant is pursuing funding multiple sources of California GGRF dollars, the Applicant must describe all existing or potential California GGRF sources.
  - If the Applicant is leveraging funds from multiple federal financing programs or if the Applicant is pursuing multiple federal financing resources, the Applicant must describe all existing or potential federal sources.

### 5.2.3 Application Attachments

In addition to submitting responses to narrative questions via Submittable and any required supporting documentation indicated by the questions, Applicants must submit the following items as attachments at the time of application:

- **Workplan** for how Applicant will complete the US DOE LPO Part II application, including clear timelines, discrete tasks, and detailed deliverables. Workplan should also include any stakeholder engagement progress/activities to date, and/or the Applicant’s strategy/planned activities for future engagement efforts.
- **Proposal Budget** that details the anticipated use of Program funds including sufficient detail, broken down by task and line item.
- **Letter of Reference** from one (1) reference who can speak to the Applicant’s capacity, experience, and quality and timeliness of work.

### Optional, Supplemental Attachments

Letters from the following Stakeholders may supplement applications.

- Letters from local community and workforce stakeholders that address how the Project will advance the four key priority areas for the US DOE LPO., including
  - State and local economic development agencies
  - Local elected officials



- Education and workforce partner
- Community and philanthropic organizations
- Labor leaders/organizations for both construction and operation
- Letters from industry stakeholders that addresses the Project’s customer pipeline, market development, and other strategies that address the Project’s feasibility and ability to advance progress towards State goal, including:
  - Recipients or Purchasers of factory-built homes manufactured by Applicant.
  - Affordable housing developers who have ordered and/or sited factory-built homes manufactured by Applicant.
  - Jurisdictions where factory-built homes manufactured by Applicant have been constructed and used as post-disaster housing.
  - Affordable housing developers who intend to purchase factory-built homes manufactured by Applicant.
  - Jurisdictions in discussions or process to approve siting of factory-built homes manufactured by the Applicant.
- Other prospective project partners (e.g., community engagement consultant, construction companies, architecture and engineering firms, planning and zoning consultants, other providers of capital, etc.)

**Letters:** Applicants may submit letters to demonstrate different levels of engagement with various stakeholders and supplement their narrative responses. If the letter type is not specified, Applicants/stakeholders may determine which letter is most suited to their relationship.

- **“Letter of Commitment”** refers to documentation indicating some level of partnership or commitment between one or more stakeholder and the applicant. The documentation may or may not be legally binding, but should outline the responsibilities of, and be affirmed by, each of the parties to the agreement.
- **“Letter of Support”** refers to documentation indicating support for the project, provided by a stakeholder that has been engaged. To provide context for the organization’s support, key local community-based organizations or stakeholders can include their role and experience in the community, as well as details on the history of interaction, collaboration, and outcomes between the stakeholder and Applicant.
- **“Letter of Engagement”** refers to documentation provided by, or affirmed by, stakeholders to indicate they have at least been in contact with the Applicant and are interested in further potential involvement.



### 5.3 Scoring Criteria

Applicants must submit a completed Pre-Development Pilot Program Application. Applications that meet threshold requirements will be scored on an evaluative scale ranging from zero points to **75 total points** achievable based on the criteria outlined here. For narrative-based policy scoring items, Applicants must provide full and complete responses to the questions outlined in the Program Application.

**Table 2: Scoring Criteria Points Breakdown**

Scoring Criteria	Total Possible Points	Weight
<b>Project Description &amp; Vision</b>	6	8%
<b>Feasibility &amp; Project Planning</b>	10	13%
<b>Affordable Housing</b>	20	27%
<b>Energy Efficiency &amp; Resiliency</b>	10	13%
<b>Community &amp; Workforce Benefits</b>	18	24%
<b>Disaster Mitigation and Recovery</b>	6	8%
<b>Relation to SGC Vision</b>	5	7%
<b>TOTAL</b>	<b>75</b>	<b>100%</b>

#### 5.3.1 Project Description

Up to **six (6) points** will be awarded to Applicants based on the clarity, quality, and feasibility of the project described, site location, and the identified characteristics of the community in which the manufacturing facility will be sited. Maximum points will be reserved for those Applicants who demonstrate a thorough understanding and commitment to the State of California and SGC’s housing, equity, and climate goals.

#### 5.3.2 Feasibility & Project Planning

Up to **ten (10) points** will be awarded to Applicants with a clear plan for the project’s capital stack and assessment of project development feasibility.

- **6 points:** Description of Project’s financing structure, anticipated challenges, and plans to address them through the Pre-Development Grant.
- **For Applicants with a Site, 4 points:** Description of site’s consistency with local plans and applicable goals, policies, and programs.
- **For Applicants without a Site, 4 Points:** Description of site selection status, process, and evaluation.

For Applicants who have not selected a site, the questions below will not be scored and are just for SGC’s awareness.

- Does the Applicant want to explore locating the manufacturing facility on a state-designated site which is considered excess land under EO-N-06-19 and Gov. Code 11011? If yes, please use the [DGS inventory of excess state-owned parcels](#) to identify which parcels and areas you are interested in.

### 5.3.3 Affordable Housing

Up to **20 points** will be awarded to Applicants based on the clarity, quality, and feasibility of the proposed strategy to contribute to the inventory and production of single-family, multi-family, and accessory dwelling unit (ADU) homes that are affordable to renters and homebuyers across the state. Multi-family homes will be prioritized. SGC will evaluate the Applicant’s affordability strategy as represented in the narrative response, the project’s business and financing plans, and letters from stakeholders.

- **Up to 10 points:** Applicants will be awarded points for a demonstrated ability to produce:
  - Affordable rental homes for Low Income Households (<60% AMI) regulated for at least 55 years in California, and/or
  - Affordable homes for ownership for households below 120% AMI regulated for at least 30 years in California.
  - Applicants must provide determine and commit to produce a specific percentage of facility output as Affordable Homes for the first five (5) years of proposed facility operation.
  - Maximum points will be reserved for applicants who commitment to produce more than 30% of facility output to multi-family Affordable Homes during the first five (5) years of proposed facility operation.
- **4 points:** Application demonstrates project team experience in affordable housing development and/or commitment to expanding production and access to affordable housing through resumes and/or letters from stakeholders.
- **6 points:** Detailed description of how the Project will advance housing production and affordability throughout the State through their manufacturing methods and processes, collaboration with external parties, and strategies to increase cost savings.

Evidence of engagement or partnerships can be offered through the Proposal’s submitted letters. External parties could include, but are not limited to stakeholders related to procurement, finance, regulation (governmental entities), educational institutions, and development/construction-focused professions.

### 5.3.4 Energy Efficiency & Resilience

Applicants will be awarded up to **10 points** for demonstrating their commitment to energy efficiency, resilience, and decarbonization in both their manufacturing operation and in the housing units produced by going beyond the threshold requirements.

- **4 points:** Description of strategies and technologies utilized to accelerate progress towards decarbonization, energy efficiency, and energy resilience goals in the manufacturing facility.



- **4 points:** Description of strategies and technologies utilized to accelerate progress towards decarbonization, energy efficiency, and energy resilience goals in the housing units produced.
- **2 points:** Track record of Applicant’s experience utilizing energy technologies and strategies to advance energy efficiency, energy resilience, and decarbonization goals.

### 5.3.5 Community & Workforce Benefits

Applicants may be awarded up to **18 points** in this category. If the project has more than one location, Applicants must describe how the Community Engagement Strategy will address multiple sites. Demonstrate through narrative response, Community Engagement Strategy, Work Plan, and optional letters.

#### Community and Labor Engagement

- **4 points:** Depth, detail, and quality of the proposed Community Engagement Strategy and alignment with US DOE LPO Title 17 Community Benefits Plan (CBP) objectives and priorities.
- **2 points:** Track record of conducting meaningful community engagement and providing benefits around past facility development.

#### Quality Jobs and Workforce Continuity

- **8 points:** Depth, detail, and quality of the proposed approach to creating high quality, “good jobs” and the Applicant’s commitment to pursuing additional labor and workforce measures through the construction and operations of the manufacturing facility and in the broader community. Description of number, types, and duration of jobs to anticipated be created and retained; and approach to advance diversity, equity, inclusion, and accessibility.

#### Community Impact

- **4 points:** Demonstrated understanding of the community surrounding the Project site, the potential impacts of the Project to the surrounding community, and strategies to mitigate negative impacts. Projects are sited in a disadvantaged community defined by the White House Climate and Economic Justice Screening Tool and/or a Priority Population as defined by the State of California.

### 5.3.6 Disaster Mitigation and Recovery

Up to six (6) points will be awarded for...

- **4 Points:** Clarity, depth, and feasibility of Applicant’s approach to support the production of high-quality resilient permanent housing or long-term temporary housing which can be converted to permanent housing for disaster recovery in impacted communities.
- **2 Points:** Track record of providing support and/or high-quality units in disaster impacted communities



### 5.3.7 Relation to SGC’s Vision

- **5 points:** Demonstrate how the Project advances SGC’s vision and mission. Please only share new or additional information not included elsewhere in the application.

## Section 6: Grant Administration

### 6.1 Funding Availability & Award Amount

The FBH Pre-Development Pilot Program has \$12,000,000 total to award, with individual grants ranging from \$1,000,000 to \$4,000,000. The Notice of Funding Availability (NOFA) will be released in Summer 2024, following the approval of the Program Guidelines by the Strategic Growth Council (SGC). Applications will be reviewed on a rolling basis, until March 30, 2026 or all funds are obligated. To batch application review and award processes, applications will be due on a specific date every other month on SGC’s application and grant management platform Submittable.

Applicants have the flexibility to request the amount of funding needed to carry out the work described in their proposal for the grant term. As a SEFI, SGC will provide “meaningful financial support” through this grant. The DOE determines “meaningful financial support” on a case-by-case basis, depending on the type of financial support, size of the applicant project, and additional considerations shared in this [DOE blog post](#). Applicants are encouraged to work with the DOE to better understand the potential required amount.

The Pre-Development Pilot Program grant is competitive. The exact award amounts provided are contingent on the competitive selection process.

Possible reasons for why an Applicant might not receive their full funding request include:

- Concerns regarding the feasibility of all proposed activities within the grant term.
- Removal of ineligible costs that are included in the proposal.
- If funding remains after awarding the highest scoring Applicants, partial awards may be made to the next highest-scoring Applicant(s).

SGC retains the right to make partial awards.

### 6.2 Grant Agreement

The FBH Pre-Development Pilot Program is administered by SGC. Upon award to an applicant, SGC shall enter into one or more agreements with the Applicant, one of which will be in the form a State of California Standard Agreement (Standard Agreement), which shall commit funds from the Affordable Housing & Sustainable Communities Program in an amount sufficient to fund the approved grant amount.

If the Grantee is not successful in their Title 17 Part II application and has identified alternative funding sources, SGC may amend the Grant Agreement and continue to support the Applicant.

Grants will be executed between SGC and the Applicant only. SGC will not enter any contractual relationship with any Co-Applicants or subcontractors.





### 6.3 Grant Timeline

Grant terms are four (4) years; with the option to extend on a case-by-case basis. The Project Completion Period is two (2) years, followed by a two (2) year Performance Period, during which Project outcomes will be monitored and grant close-out activities will conclude.

Recognizing that the timeline from first contact with LPO to financial close can take more than a year and is largely dependent on the applicant's preparedness and ability to provide required documents, the four-year grant term may be flexible and confirmed during the Standard Agreement Process.

### 6.4 Disbursements and Accounting of Funds

#### Pre-Disbursement Conditions

The Grantee cannot request advance payment or reimbursement for any costs incurred or work completed before grant execution. Eligible costs incurred after the award date are eligible for reimbursement once the FBH Pre-Development Pilot Program Standard Agreement is executed.

Conditions precedent to the initial disbursement of Program funds shall include receipt of for the invitation to submit the Application Part II for DOE LPO Title 17 Clean Energy Financing.

Disbursement of grant funds requires verification of eligible costs. The Grantee will be responsible for compiling all invoices, supporting documentation, and reporting materials into a single package and providing them to SGC. Once the package has been approved for payment, funds will be disbursed to the Grantee.

#### Disbursement Schedule

- Grantees may request reimbursement from SGC on a bimonthly basis (every two months).
- Program funds must be disbursed in accordance with deadlines specified in the Standard Agreement, and in no event later than the disbursement deadlines outlined in the NOFA.
- SGC will retain the last 5% of the overall grant budget, to be paid once the State has determined that the grant terms have been fulfilled.

### 6.5 Reporting Requirements

During the term of the Standard Agreement and according to the deadlines identified in the Standard Agreement, the Grantee shall submit, upon request of SGC, a progress report that demonstrates satisfaction of all reporting requirements pursuant to the FBH Pre-Development Pilot Program's reporting requirements identified in the Standard Agreement.

#### Monthly Progress Reporting (Application Part II Phase)

Monthly progress reports during pre-development of the Title 17 Clean Energy Financing Program Application Part II allow grantees to provide updates on how the commitments and project terms they proposed to SGC are fitting into/not fitting into the actual Part II Application.

Grantees will develop detailed work plans and budgets as part of the FBH Pre-Development Pilot Program application. SGC will work with Grantees to make adjustments to these documents as needed. These documents will contain more detail than the Standard Agreement

and will provide specific, measurable milestones and metrics by which the Grantee and SGC can evaluate progress during the performance period.

SGC will provide templates for the progress reports, work plan, budget, invoice form, and reimbursement request forms. These documents will record the Project's expenditures and assess general progress on deliverables.

#### Regular Check-In Meetings

All Grantees can expect to participate in regular check-in meetings with SGC staff and contractors. During these meetings, Grantees can describe their work and SGC staff can offer feedback and guidance on draft deliverables. SGC staff and contractors will also support Grantees in meeting the various administrative criteria, developing financial and grant management processes, and building connections between Grantee(s) and State and Federal agencies. The Grantee check-in meeting schedule will align with the invoicing schedule.

#### Annual Progress Reports

In addition to regular check-ins, Grantees will submit annual progress reports that provide updates on the overall status of the grant. During the term of the Standard Agreement and according to the annual deadline identified in the Standard Agreement, the Recipient shall submit an annual performance report that demonstrates satisfaction of all reporting requirements pursuant to the Program reporting requirements identified in the Standard Agreement.

Recipient shall also submit any additional reporting requirements developed by the Council or CARB. SGC will collaborate with CARB to develop refined metrics and consistent methodologies for quantifying economic, environmental, and public health benefits, as required by Funding Guidelines for Agencies that Administer California Climate Investments. These may include but are not limited to: Project metrics; the duration over which the grantee will track Project metrics; frequency of reporting; the format grantee will use to report; Project profile information; Project benefit information; and information related to Priority Population benefits. Additional details will be included in the Grant Agreement.

#### Employment Benefits & Outcome Reporting (Factory Development Phase)

Grantees will identify target employment benefits and project outcomes in the Community Benefits Plan and Work Plan submitted as part of the Part II LPO Program Application.

### 6.6 Non-Performance & Non-Compliance

SGC has sole discretion to determine if Grantee is performing in accordance with the Grant Agreement. Non-performance issues can include but are not limited to:

- Misuse of funding for ineligible expenses
- Inability to meet performance requirements or scheduled milestones
- Failure to complete or failure to make a good faith effort to complete the Proposal as a whole or any Proposal Components; and/or
- Failure to comply with the Guidelines or terms and conditions of the Grant Agreement.



SGC will notify Grantee, in writing, if non-performance is determined, and will provide instructions and a timeline to rectify all cases of non-performance.

Grantee must respond to a determination of non-performance within thirty (30) days either by a) acting on corrective actions and notifying SGC of actions taken, or b) disputing SGC's findings in writing. SGC, without waiver of other rights or remedies, may require the Grantee to re-perform any actions defined in the Standard Agreement if determined to be not performed in accordance with the Standard Agreement.

SGC may withhold any reimbursements due to Grantee until the Grantee brings the Project back into full compliance. Costs and expenses for these actions shall be borne by the applicable Grantee or Subcontractor.

SGC has the right to issue a Stop Work Order and suspend payments to the Grantee. SGC reserves the right to issue a Stop Work Order if there is a breach in the leveraged funding commitments that put components of the Project at risk of not being completed.

Both SGC and the Grantee have the right to terminate the Grant Agreement prior to the end of the grant term upon 30 calendar days of written notice. The written notice shall specify the reason for early termination and may permit SGC or the Grantee to rectify any deficiencies prior to the termination date.

## 6.7 Audits and Record Retention

At any time during the term of the Standard Agreement, SGC may perform or cause to be performed a financial audit of any and all phases of the Grantee's Project. At SGC's request, the Grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life.

All records, physical and electronic, must be adequately protected from loss, damage, or destruction for possible audit(s). The Grantee agrees that the State or designated representative will have the right during normal business hours to review and to copy any records and supporting documentation pertaining to the performance of the Grant Agreement and interview any employees who might reasonably have information related to such records.

Further, Grantee agrees to include a similar right of the State to audit records and interview staff of any Subcontractors related to performance of the Grant Agreement.

- Grantee and Subcontractors must maintain copies of Project records four (4) years after all terms of the Grant Agreement are fulfilled, unless a longer period of records retention is stipulated.
- The State retains the right to conduct an audit each year during the grant term and up to four (4) years after all terms under the Grant Agreement are fulfilled.
- The State may require recovery of payment from the Grantee, issue a Stop Work Order or terminate the Grant Agreement, as warranted, based on an audit finding, or any other remedies available in law or equity.



## 6.8 Compliance with State and Federal Requirements

Grantees will be responsible for achieving and maintaining compliance with all applicable federal, state, and local laws, ordinances, and requirements. The following requirements are triggered by the use of public funds and are provided for informational purposes.

### DOE LPO Title 17 Federal Requirements

Federal law requires the following reviews and project provisions be met for a project to receive DOE LPO support under Title 17:

- National Environmental Protection Act (NEPA) compliance
- Davis Bacon Act (prevailing wage requirements)
- Cargo-Preference Act
- Build America, Buy America

Additional information is provided in the DOE LPO Title 17 Part I and Part II application instructions and [Title 17 Program Guidance](#) and through consultation with LPO.

### State Requirements

#### CEQA Compliance

The California Environmental Quality Act (CEQA) generally requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible.

The laws and rules governing the CEQA process are contained in the CEQA statute (Public Resources Code Section 21000 and following), the CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 and following), published court decisions interpreting CEQA, and locally adopted CEQA procedures.

#### State Prevailing Wage

For the purposes of the State Prevailing Wage Law (including Labor Code Sections 1720 – 1785), a grant or loan under the FBH Pre-Development Pilot Program shall be considered public funding. Program funding of the Proposal shall not necessarily, in and of itself, be considered public funding of a Project unless such funding is considered public funding under the State Prevailing Wage Law.

It is not the intent of SGC in these regulations to subject Projects to the State Prevailing Wage Law by reason of AHSC Program funding of the Project in those circumstances where such public funding would not otherwise make the Project subject to the State Prevailing Wage Law. As currently designed, the FBH Pre-Development Pilot Program is for pre-development and planning activities that do not include “public work” such as construction, alteration, demolition, installation, repair, or maintenance work. Applicants should assess each phase of work on the proposal and project and evaluate if the phase is subject to prevailing federal or state wages; state and federal regulations for prevailing wage are separate and distinct and must be evaluated independently.

The Department of Industrial Relations (DIR) is the primary resource for consultation on the requirements of California prevailing wage law.



## 6.9 Grantee Publicity Guidelines

Grantees are required to acknowledge SGC and California Climate Investments (CCI) in all publications, websites, signage, invitations, and other media related and public-outreach products and events related to the Project. Guidance on CCI logo usage, signage, and logo files contained in the CCI Media and Communications Style Guide are available at: [www.caclimateinvestments.ca.gov/logo-graphics-request](http://www.caclimateinvestments.ca.gov/logo-graphics-request). SGC staff will provide logo files and guidance on their usage directly to Grantees.

- (a) Long-form written materials, such as reports, must include the following standard language about the Strategic Growth Council, FBH Pre-Development Pilot Program, and California Climate Investments:
  - a. The California Strategic Growth Council aims to address public health, racial equity, local economies, energy efficiency, and access to affordable housing and sustainable transportation in California’s under-served communities through multi-benefit investment programs. Through these programs, SGC invests across the spectrum of capacity building and infrastructure implementation to center communities while advancing strategic growth in California. Following the passage of the Federal Inflation Reduction Act, SGC has prioritized opportunities to leverage State support and implement federal funding that will bring multi-benefit impacts to under-served communities in California.
  - b. The California Strategic Growth Council launched the Factory Built Housing Pre-Development Pilot Program, to connect eligible and experienced housing producers with the financial and institutional support necessary to expand housing manufacturing and increase the supply of housing, especially affordable housing, across the state. The FBH Pre-Development Pilot Program makes State funds available to Applicants seeking federal financing for the construction or retrofitting of facilities dedicated to the production of FBH components. In addition to increasing the production of FBH for affordable homes, the Program aims to support the construction of single- and multi-family homes designed to the highest standards of energy efficiency and community benefit, while creating pathways for homeownership.
  - c. The FBH Pre-Development Pilot Program is part of CCI, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero emission vehicles (ZEV), environmental restoration, more sustainable agriculture, recycling, and much more. Find out more about the program at: [www.caclimateinvestments.ca.gov](http://www.caclimateinvestments.ca.gov).”



- (b) Any informational materials that do not qualify as long-form, but include at least a paragraph of text, such as press releases, media advisories, short case studies, some flyers, etc., should include the following language:
  - i. (1) Long version: “[Project Name] is supported by California Strategic Growth Council’s Factory-Built Housing Pre-Development Pilot Program with funds from California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities.”
  - ii. (2) Short version: “[Project Name] is supported by California Strategic Growth Council’s Factory-Built Housing Pre-Development Pilot Program with funds from California Climate Investments—Cap-and-Trade Dollars at Work”
- (c) Recipients may at times produce promotional materials that are primarily visual in nature, such as banners, signage, certain flyers, and sharable images for social media. In such cases, when including the boilerplate language acknowledging CCI and SGC support is not practical, grantees should instead include the official logos of the Council and CCI, preceded by the words “Funded by.”
- (d) Recipients are required to identify a point of contact for all press inquiries and communications needs related to the project and provide the name, phone number and email address of this individual to the Council.
- (e) Recipients are encouraged to distribute a press release after grant decisions are made at the Council’s Public Council Meeting (or until notified by the Council when awards are embargoed) and for other major milestones throughout the lifecycle of the grant. All press releases must be approved by SGC Communications Office prior to distribution and the Council must be alerted and invited to participate in any and all groundbreaking, grand opening, and press conferences related to the award by emailing [factorybuilthousing@sgc.ca.gov](mailto:factorybuilthousing@sgc.ca.gov).
- (f) Recipients are required to prepare one or more two-to-four-page documents that provide a summary of the Project components and tell the story of the proposal development process and/or implementation. All such materials must be approved by SGC Communications Office prior to distribution. These materials will be displayed on the Council website.
- (g) Applicants and Recipients are encouraged to use social media to share the process of creating a proposal and to inform the throughout implementation. @CalSGC, and @CAClimateInvest should be tagged on all posts related to the grant. Use of the hashtags is encouraged.



## Appendix A: Definitions

### “Affordable Housing,” “Affordable Home(s),” or “Affordable Housing Unit(s):

- For rental projects - a housing unit that is made available at an affordable rent, as defined in Health and Safety Code Section 50053, to a household earning no more than 60% of the Area Median Income (AMI). Rental units must be restricted via a legally enforceable mechanism such as a covenant, deed restriction, or regulatory agreement ensuring affordability for a duration of at least 55 years.
- For homeownership projects - a housing unit that is made available at an affordable housing cost, as defined in Health and Safety Code Section 50052.5, to a household earning no more than 120% of the AMI. Homeownership units shall initially be sold to and occupied by a qualified household and must be restricted via a legally enforceable mechanism that includes either a resale restriction for at least 30 years or equity sharing upon resale.
- Affordable homes must be restricted via a **legally enforceable mechanism** such as a covenant, deed restriction, or regulatory agreement for the minimum amount of years. The legal mechanism must regulate the occupancy and disposition of the qualifying homes to households that meet the affordability levels described above." For the purposes of the FBH Pre-Development Pilot Program, **Affordable Housing/Home(s)/(Unit(s))** are inclusive of single-family, multi-family, and accessory dwelling units (ADUs). Other typologies may be included and should be defined in the application.

“**Community Benefits**” are advantages or positive impacts that community members receive as a result of projects, activities, or initiatives conducted in a given community. These benefits contribute to the overall well-being, health, and/or access to opportunity of the stakeholders in a community and can include commitments to local and inclusive hiring practices; local workforce development guarantees; contributions to local economic, housing, or development funds; or commitments to design and construction approaches that enhance local infrastructure, transportation systems, green spaces, or other public/collective community assets.

“**Community Engagement**” refers to the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues effecting the well-being of those people.

“**Disadvantaged Community**” (DAC) as established by CalEPA for SB535 (<https://oehha.ca.gov/calenviroscreen/sb535>)

1. Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0;
2. Census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores;
3. Census tracts identified in the 2017 SB35 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0; and



4. Lands under the control of federally recognized Tribes. For purposes of this designation, a Tribe may establish that a particular area of land is under its control even if not represented as such on CalEPA’s DAC map and therefore should be considered a DAC by requesting a consultation with the CalEPA Deputy Secretary for Environmental Justice, Tribal Affairs and Border Relations at [TribalAffairs@calepa.ca.gov](mailto:TribalAffairs@calepa.ca.gov).

**“Financial Close”** refers to Step 5 of Part II of the Title 17 program. During the financial close phase, LPO and the applicant execute definitive financing documents. Additional details at: <https://www.energy.gov/lpo/articles/program-guidance-title-17-clean-energy-program#page=10>

**“Greenhouse Gas Reduction” (GHG Reduction)** means actions designed to reduce emissions of one or all the following gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

**“Letter of Commitment”** refers to documentation indicating some level of partnership or commitment between one or more stakeholder and the applicant. The documentation may or may not be legally binding, but should outline the responsibilities of, and be affirmed by, each of the parties to the agreement.

**“Letter of Support”** refers to documentation indicating support for the project, provided by a stakeholder that has been engaged. To provide context for the organization’s support, key local community-based organizations or stakeholders can include their role and experience in the community, as well as details on the history of interaction, collaboration, and outcomes between the stakeholder and Applicant.

**“Letter of Engagement”** refers to documentation provided by, or affirmed by, stakeholders to indicate they have at least been in contact with the Applicant and are interested in further potential involvement.

**“Lower Income”** has the meaning set forth in Health and Safety Code Section 50079.5, households with gross incomes not exceeding 80 percent of AMI.

**“Low-Income Households”** mean individual households with either 1) household incomes at or below 80 percent of the statewide median income, or 2) household incomes at or below the threshold designated as low-income by Department of Housing and Community Development’s State Income Limits adopted pursuant to Health and Safety Code Section 50093.

**“NOFA”** means a Notice of Funding Availability issued by the Strategic Growth Council.

**“Nonprofit Organization”** is any nonprofit corporation (including religious institutions, Community Based Organizations, an philanthropic organizations) qualified to operate in California pursuant to subdivision (c)(3) under Section 501 of the Internal Revenue Code.

**“Priority Populations”** include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B of the GGRF Funding Guidelines for more information on the definitions. The Priority Populations Map is available at:



<https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348>

**“Public Work”** for the purposes of this document, refers to the construction, alteration, demolition, installation, repair or maintenance work done under contract and paid for in whole or in part out of public funds. The definition applies to private contracts when certain conditions exist. Grantee can identify additional stipulations and exceptions under Cal. Labor Code § 1720 et seq.

**“Project Sponsor”** as defined in the Title 17 Clean Energy Financing Program guidance, is any person that assumes substantial responsibility for the development, financing, and structuring of an Eligible Project and owns or controls, by itself and/or through individuals in common or affiliated business entities, a five percent or greater interest in the proposed Eligible Project or the Borrower.

<https://www.energy.gov/infrastructure/about-community-benefits-plans>

