

June 26, 2024

Subject: **Factory-Built Housing Pre-Development Pilot Program: Guidelines Technical Amendment**

Reporting Period: April 2024 – June 2024

Staff Lead: Sean Kennedy, Deputy Director of Energy Investments, SGC
Lois Kim, Project Analyst, SGC

Recommended Action

Approve an amendment to the Factory-Built Housing Pre-Development Pilot Program Guidelines to clarify applicant eligibility.

Summary

SGC seeks Council approval of a technical amendment to the Factory-Built Housing (FBH) Pre-Development Pilot Program Grant Guidelines (Program Guidelines). The Council approved the Program Guidelines during the April 24, 2024 Council Meeting. The Pre-Development Program is designed to provide support to FBH manufacturers applying to the US Department of Energy Loan Programs Office (LPO) Title 17 Clean Energy Financing Fund to retrofit and/or build one or more energy-efficient factories in California that advance the production of energy-efficient housing.

Background

About the Factory-Built Housing Pre-Development Pilot Program

The Factory-Built Housing Pre-Development Pilot Program (Pre-Development Program) will support FBH manufacturers applying for LPO’s Title 17 Program to expand or establish new factories in California. SGC has identified key State housing and climate goals that have the potential to align with the development and operations of housing manufacturing in California. The Pre-Development Program will provide meaningful financial support to projects that prioritize energy efficiency and resiliency, the production of affordable housing, and the development of meaningful Community Benefit Plans.

Summary of Changes to Pre-Development Program Guidelines

Staff are proposing technical amendments to applicant eligibility, as it relates to the LPO Title 17 Application Process. The proposed revisions reflect an update to the LPO’s procedures and would remove the requirement to have an invitation to apply to Part II, prior to applying to SGC’s Pre-Development Program. The requirement to have passed Part I, which evaluates the high-level project and applicant financials and ensures that the project is technically eligible for LPO financing, remains unchanged. Proposed amendments also include minor revisions for enhanced clarity.

Next Steps

Following the approval of the amended guidelines, staff will release the Notice of Funding Availability (NOFA) on July 1. Applications will be accepted on a rolling basis, with the first batch of applications due in October 2024.

Council Recommendation

Should the Council agree with Staff's recommendation, the following motion language is suggested:

"I move that the Council pass the consent calendar."

Attachments

Attachment A: Factory-Built Housing Pre-Development Pilot Program Guidelines Amendment (June 2024)