Factory-Built Housing Regional Pilot Program Round 3

Notice of Funding Availability

February 2026

Amended October 2026*

** Amended text is located in Sections I and IV and shown in red; the original text is struck through*

Visit sgc.ca.gov/grant-programs/factory-built-housing/ for more program information.

Sign up to receive updates about the Factory-Built Housing Regional Pilot Program and other Strategic Growth Council initiatives at https://bit.ly/FBHSign-Up.

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I. Overview

A. Notice of Funding Availability

The California Strategic Growth Council (SGC) announces the availability of funding for Round 3 of the Factory Built Housing Regional Pilot Program (FBH Program) through this Notice of Funding Availability (NOFA).

Funds available for FBH Program Round 3 include a total of ~~approximately~~ up to ~~$10~~ 20 million for the provision of grants, with ~~approximately~~ ~~$1 million~~ up to $1.5 million in additional funds reserved for no-cost technical assistance and capacity-building services for applicants, grantees, and partners.

To support applicants at different stages of regional coordination and implementation readiness in meeting FBH Program objectives, the program offers two grant types: Catalyst Grants and Planning Grants. Catalyst grantees may receive up to $500,000 over a two-year grant term; planning grantees may receive up to $3 million over a three-year grant term.

Exact award amounts will be determined by SGC and are contingent on a competitive application and selection process. The SGC may make partial awards or reallocate funds between grant types in the event of undersubscription and/or ineligibility.

Please find details on submitting the application in section IV, page 9 of this document.

B. Timeline

The anticipated timeline for Round 3 of the FBH Program is listed below. This timeline is subject to change. The most up-to-date timeline and upcoming events will be found on the SGC FBH Program webpage.

Anticipated Date	Program Activity
February 2026	Notice of Funding Availability (NOFA) Released
February 2026	Application Period Open (singular due date for all applications)
May 5, 2026	Applications Due
August 26, 2026	Awards Recommended for Council Adoption
October 28, 2026	Awards Recommended for Council Adoption
~~End of 2026~~ Start of 2027	Grant Agreements Executed
2027-2030	Project Completion Period
2029- 2030	Project Evaluation

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C. Authorizing Legislation and Regulations

The FBH Program is funded by a ~~$12~~ 22 million allocation from the Affordable Housing and Sustainable Communities (AHSC) Program. Public ~~Relations~~ Resources Code Section 75210 created the AHSC Program to "implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives."

The AHSC Program receives its funding from California's Greenhouse Gas Reduction Fund (GGRF), which is administered in California by the California Climate Investments (CCI) Program. As such, the FBH Program is considered a CCI Program and is subject to CCI and GGRF funding requirements and priorities, which are reflected in these Grant Guidelines.

In December 2022, SGC adopted a resolution on Housing, Climate, and Equity (Council Priority 3), directing the council and its member agencies to promote strategic, equitable growth through their programs and policies. The resolution called for identifying new tools and strategies to advance California's housing, climate, and equity goals at the scale needed to meet current and future demands.

In coordination with the Business, Consumer Services, and Housing Agency, the Department of Housing and Community Development, and the California Air Resources Board, SGC identified factory-built housing as a key opportunity to accelerate progress toward the state's housing, climate, and energy goals. In October 2023, SGC adopted Resolution 23-02 directing staff to develop a pilot program to fund energy-efficient manufacturing facilities applying for federal clean energy assistance to expand infrastructure, create jobs, and reduce emissions.

To meet the council's directive, SGC launched the first round of the FBH Program in August 2024, followed by Round 2 in November 2024, both of which aimed to support the development of factory-built housing manufacturing facilities by eligible applicants pursuing federal funding for energy-efficient housing production. The SGC did not make any awards during the first two application rounds.

D. What's New in the FBH Round 3 NOFA and Guidelines

After Rounds 1 and 2 of the FBH Program did not result in any awards, SGC conducted additional research and engaged stakeholders and industry experts to inform a new program design. After integrating stakeholder feedback, the council adopted a revised resolution on April 27, 2025, that directed SGC to develop a modified pilot program that does not limit funds to applicants pursuing federal assistance.

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The FBH Round 3 program design and Grant Guidelines focus on enabling the production and deployment of factory-built housing units across California regions rather than solely on the manufacturing process. To allow greater flexibility and encourage innovation, Round 3 offers two funding tracks: Catalyst Grants and Planning Grants. Both aim to expand the regional use and impact of factory-built housing but are tailored to support applicants at different stages—whether they are building regional capacity, developing shared strategies, or preparing for implementation.

II. Program Summary

A. Program Goal

The FBH Program is designed to support regional strategies that use factory-built housing to expand the supply of affordable, high-quality homes across California. The goal is to create solutions that can be scaled and replicated to move beyond one-off development projects to broader, long-term impact.

B. Program Objectives

The FBH Program seeks to fund a diverse portfolio of regional and multi-regional projects that demonstrate how factory-built housing can deliver benefits across a wide range of communities and jurisdictions. The program encourages applicants to propose innovative models for regional collaboration, planning, and implementation that can be adapted and scaled across different areas of the state.

The FBH Program is anchored in four core program objectives:

1. **Build Regional Networks and Capacity:** Strengthen the ability of regions to deliver factory-built housing at scale by cultivating durable partnerships among public agencies, private developers, and nonprofit organizations.
2. **Reduce Greenhouse Gas Emissions:** Lower the environmental impact of residential construction through more efficient design, production, and delivery methods that reduce emissions across the residential construction lifecycle.
3. **Deliver Co-Benefits for California Communities:** Advance regional housing and community development initiatives that deliver meaningful co-benefits to local communities — particularly for California's priority populations. (See Guidelines Appendix A for definition of "priority populations").
4. **Foster Innovation:** Elevate creative regional initiatives that demonstrate scalable, effective models for planning and delivering factory-built housing aligned with local and statewide priorities.

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C. Grant Types

Catalyst Grants

The program will provide Catalyst Grants of up to $500,000 over a two-year term to help grantees launch or advance early-stage efforts that build regional knowledge, capacity, networks, and stakeholder support for the production and deployment of factory-built housing in California.

These grants are designed for entities exploring factory-built housing opportunities, forming new partnerships, or conducting early-stage efforts to build regional knowledge, capacity, and stakeholder support for factory-built housing development.

Catalyst Grants are ideal for applicants in the early stages of partnership formation, research and analysis, or stakeholder engagement who wish to establish or grow relationships and networks among regional partners, increase regional understanding of factory-built housing solutions and benefits, and/or identify enabling conditions for advancing factory-built housing as an affordable housing solution in their region.

Catalyst Grants may fund activities such as:

- Conducting research on regulatory, zoning, or land use barriers to factory-built housing production.
- Completing market studies to assess regional demand and housing needs.
- Identifying and convening public, private, and community stakeholders to form cross-jurisdictional coalitions.
- Hosting peer learning exchanges or regional dialogues on factory-built housing opportunities, challenges, and strategies.
- Developing preliminary plans, frameworks, or roadmaps to inform future factory-built housing projects and policies.

Planning Grants

The FBH Program will provide Planning Grants of up to $3 million over a three-year term to support initiatives that are ready to translate exploratory and early-stage coordination efforts into actionable strategies, scalable plans, and targeted pre-implementation activities.

Planning Grants are designed for projects that have progressed beyond the early-stage activities and are poised to implement or meaningfully advance coordinated planning efforts that position their region for scalable factory-built housing delivery. Planning Grant applicants must propose a clear vision for expanding factory-built housing at a regional

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scale and demonstrate that they possess the legal authority, capacity, established relationships, and collaborative infrastructure needed to deliver actionable plans, policies, or frameworks that advance program objectives.

Planning Grants may fund activities such as:

- Amending local or regional policies to streamline permitting for factory-built housing projects.
- Conducting in-depth regional factory-built housing market analyses and developing action plans.
- Identifying and assessing feasible sites for factory-built housing development.
- Advancing predevelopment work and pilot project pipeline planning.
- Designing regional financing tools or aligning public subsidy strategies.
- Implementing or advancing regional regulatory or permitting reforms to remove barriers to factory-built housing.
- Developing and implementing governance structures and other regional collaborative frameworks.
- Integrating factory-built housing strategies into regional transportation, climate, or housing plans.

D. Eligible Applicants

Lead applicants and project partners **must be one of the following entities** to be eligible for either grant type:

> tribal entities; local governments; multijurisdictional entities; community-based organizations and nonprofits; community development financial institutions; private for-profit entities (excluding those traded publicly); California institutes of higher education; public authorities; public corporations (excluding state agencies); special districts; state agencies, subagencies, and departments (partners only); and other local and regional public agencies (for more details on each eligible applicant type, see Guidelines Section 3.1 Applicant Eligibility).

The following entity types **are not eligible to apply** as a lead applicant or partner:

> individuals; federal agencies, subagencies, and departments; and public companies (corporate entities that offer publicly traded stock for sale)

Lead applicants for **both grant types** must meet all of the following criteria for their application to be considered for an award:

1) Must be based/operating in the State of California.
2) Must be authorized to enter into agreements and to receive and hold public funds, **or** be operating/able to operate under a fiscal sponsor authorized to enter into agreements and receive and hold public funds.
3) Must demonstrate financial and operational capacity to manage a regional project, coordinate multiple project partners and subcontractors, and satisfy grant requirements.
4) Must demonstrate a track record of **or** commitment to accelerating the production and use of factory-built housing, **and/or** other innovative and affordable housing solutions.

Partners for both grant types must be based/operating in the State of California.

III. Program Thresholds

Applications for **both grant types** must include all the information and documentation listed below and meet the eligibility criteria listed above to advance to the interagency review panel for scoring.

Applications that fail to meet threshold requirements will not be scored.

1. **Lead Applicant Thresholds**
    a. **Eligible Entity Type:** Lead applicant must confirm that they are an eligible entity type.
    b. **Authorizing Resolution or Letter (public agencies only):** Lead applicants who are public agencies must provide one of the following:
        i. **A formal Authorizing Resolution or Letter of Authorization** approved by their governing authority that enables the grantee to enter into agreement with SGC and have authority to execute all proposed activities if awarded, **or**
        ii. **A statement** confirming that, if awarded, the lead applicant is able to submit a Formal Authorizing Resolution or Letter of Authorization no later than 60 days after notice of award.
    c. **Financial Documents (Catalyst Only):** Lead applicants must provide all financial documents required for their entity type listed below.
        i. **For-Profit Entities:** Current annual operating budget and financial statements from the last two years, including:
            1. Balance sheets
            2. Income statements
            3. Statements of cash flows

ii. **501(c)(3) Nonprofits**
    1. Copy of most recent Federal Form 990
    2. Copy of IRS 501(c)(3) Tax Determination Letter
    3. A valid Employer Identification Number (EIN)
    4. Any applicant with an audit finding from the last five years is required to disclose it in an official letter.

d. **Financial Documents (Planning Only): <u>All lead applicant types</u>** are required to submit financial documentation to demonstrate operational and management capacity. All applicants must provide:
    1. Copies of certified financial statements and/or audits for the past two fiscal years, prepared by an independent auditor or certified public accountant
    2. The organization's current fiscal year operating budget
    3. For applicants with any audit findings within the past five years: the Independent Auditor's Report detailing the finding(s), along with the organization's written response and plan to resolve them

e. **Applicants operating under fiscal sponsorship by a 501(c)(3) nonprofit or academic institution.**
    1. A copy of the sponsor's most recent Federal Form 990, a copy of the sponsor's IRS 501(c)(3) Tax Determination Letter, and any audit findings from the last five years.
    2. A letter from the fiscal sponsor confirming sponsorship or stating intent to serve as fiscal sponsor.

f. **Program Objectives Alignment**: Applications propose activities that are aligned with the FBH Program objectives and do not contain significant amounts of ineligible or irrelevant activities. Applications' proposed activities are regional or multi-regional in nature, and do not primarily benefit singular development projects.

g. **Planning Grants ONLY - Draft Partnership Memorandum of Understanding (MOU)** outlining the project role and responsibilities of the lead applicant and each partner named in the application. The SGC will provide an MOU template and additional guidance in the NOFA and application. Partnership MOUs do not require signatures at time of application.

2. **Partner(s) Thresholds**
    a. **Eligible Entity Type:** Partner(s) must confirm that they are an eligible entity type.

3. **Project Area**

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a. Eligible project areas must be composed of, at minimum, one county and/or two local jurisdictions. Otherwise, applicants may identify the boundaries of their region by shared natural, political, economic, and/or infrastructure systems; shared climate risks; and/or other shared characteristics, challenges, or dynamics.
b. Applicants will use the California Climate Investments Priority Populations Mapping Tool 4.0 to provide a map that clearly identifies: 1) Project area boundary and 2) Clear identification of at least two jurisdictions.

4. **Activity Thresholds**
    a. **Work Plan and Budget Workbook:** Applicants will use a budget and work plan Excel workbook provided by the program to clearly outline proposed activities, costs, deliverables, and timelines. The SGC will provide the template, instructions, and additional guidance in the NOFA and application.
    b. **Description of proposed activities** including specific tasks, costs, deliverables and intended outcomes, communities and populations served, and cost justification demonstrating proposed activities meet eligibility criteria:
        i. **Activities are regional or multi-regional in nature and do not primarily benefit singular development projects**: Applicants must demonstrate that proposed activities will be conducted throughout the project area and not limited to specific sites or jurisdictions.
        ii. **Proposed costs are eligible, feasible, and align clearly with proposed activities and program objectives:** Applicants must demonstrate that budget does not include ineligible costs that exceed allowable amounts (10% unless otherwise negotiated).

IV. Application Submission and Review Procedures

A. Application Submission Process

All FBH Catalyst and Planning Grant applicants must submit FBH application materials via Submittable by 11:59 p.m. PST on Tuesday, May 5, 2026. A separate Submittable application will be provided for each grant type here: https://sgcfactorybuilthousing.submittable.com/submit.

Applicants who do not pass completeness or threshold review are eligible to resubmit their application to Submittable, only once, based on program feedback by Tuesday, May 26, 2026 at 11:59PM PST.

No late applications or application revisions will be accepted after the application submission deadline. No hard copies, facsimiles, electronic transmissions via email, hand- delivered copies, or any other method of submitting complete applications will be accepted. The program will provide detailed instructions on navigating and submitting applications through Submittable via the SGC website and communications prior to the

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application release date. Application review will commence after the application window closes and will follow the process outlined below.

Threshold and completeness review:

- Program staff will conduct completeness checks and threshold review of all completed applications as they are received.
- If an application is missing one or more required application components or does not pass threshold review, SGC will notify the lead applicant, after which the applicant has until May 26, 2026 at 11:59PM PST to provide the missing information or documents. If the applicant does not provide the missing components by May 26, 2026 at 11:59PM PST, the application will be considered incomplete and will not proceed to interagency review.
- The threshold review will be conducted according to the threshold criteria described in Section 4.2 Application Components of the FBH Program Grant Guidelines.
    - Only applications that meet all program thresholds will advance to interagency review and scoring. Applications that do not meet all thresholds will not be scored. If none of the applications meet threshold requirements, SGC may issue a revised solicitation.
- All applications that are complete and meet threshold requirements will be evaluated and scored by an interagency review panel composed of panelists from state agencies who have experience in FBH Program subject matter, objectives, and priorities. The panel will use the scoring criteria provided in FBH R3 Final Guidelines Section 5: Scoring Criteria to evaluate applications.
    - **For Planning Grants only:** Top-scoring applicants will be invited to a one-hour interview with SGC and/or the interagency review panel.
- Program staff will then synthesize application scores and (for Planning Grant applications) additional information from applicant interviews to determine final application scoring.
- SGC staff will recommend awards to the council, which will vote to approve the awards at the August 26th and October 28th Council ~~meeting~~ meetings.

B. Disclosure of Application

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (PRA) (Gov. Code § 7920.000 et

seq.). As such, any materials provided are subject to disclosure to any person making a request under the PRA. The department cautions applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, Social Security numbers, personal phone numbers, and home addresses. By providing this information to the department, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

V. Technical Assistance

To support the development of competitive FBH Round 3 applications, SGC will make no-cost technical assistance (TA) available to FBH applicants, subject to available capacity. Applicants intending to apply for a FBH Catalyst or Planning Grant may request application TA by emailing the FBH Program inbox at factorybuilthousing@sgc.ca.gov with the subject line: **FBH Round 3 Technical Assistance Request** by no later than **11:59 p.m. PST on Friday, April 17, 2026**.

Please include within your email:

1. Your organization name
2. Your organization type
3. Whether your organization serves priority populations defined by CCI
4. The information you would like to discuss/need assistance with.

This deadline does not apply to Applicants seeking informational discussions with the FBH Program team. The SGC will also provide office hours, every Wednesday from 2-3PM PST, to answer broader, application-level questions that may come up during the application process. Additional updates will be posted on the FBH Program webpage.

Here is the link to register for office hours:
https://opr-ca.zoom.us/meeting/register/HC875bjZQXialStZWaYURA

VI. Appeals

A. Basis of Appeals

1. Upon receipt of a notice that an application has been determined to be ineligible, failed threshold review, or not awarded based on final scores, FBH grant applicants under this NOFA may appeal such decision(s) to SGC pursuant to this section.
2. No applicant shall have the right to appeal a decision of SGC relating to another applicant's eligibility, point score, award, denial of award, or any other matter related thereto.

3. The process provided herein applies solely to the decision of SGC made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

B. Appeal Process and Deadlines

1. Process: To file an appeal, FBH grant applicants must submit to SGC, by the deadline set forth below, a written appeal, which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the applicant must provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an applicant. Once the written appeal is submitted to SGC, no information of materials will be accepted or considered thereafter. Appeals must be submitted to SGC at factorybuilthousing@sgc.ca.gov.
2. Filing deadline: Appeals must be received by SGC no later than five business days from the date of SGC's threshold review or score letters, representing SGC's decision made in response to the application.

C. Decision

Any request to appeal SGC's decision regarding an FBH application shall be reviewed for compliance with the FBH Guidelines and this NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of SGC.

Appeals may be submitted only once. Previously submitted appeal decisions shall not be reopened, nor may applicants reopen or revise their appeal in response to any additional awards, technical amendments, or other changes made in Round 3.

VII. Other State Requirements

The applicant/recipient agrees to comply with applicable state and federal laws, rules, guidelines, and regulations that pertain to health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the project, the recipient, its contractors or subcontractors, and any award activity.

In addition, the recipient shall comply with the requirements:

A. State Prevailing Wages

Program funds awarded under this NOFA are subject to state prevailing wage law, as set forth in Labor Code Section 1720 et seq., and require the payment of prevailing wages

unless the project meets one of the exceptions of Labor Code 1720 (c) as determined by the Department of Industrial Relations. Applicants are urged to seek professional advice as to how to comply with state prevailing wage law. Please reference Section 10.6 Prevailing Wage Requirements in the FBH Round 3 Final Guidelines.

VIII. Other Terms and Conditions

A. Right to Modify or Suspend

The SGC reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, SGC program staff will notify all interested parties via email and will post the revisions to the SGC program webpage.

B. Conflicts

In the event of any conflict between the terms of this NOFA and either applicable state or federal law regulation, the terms of the applicable state or federal law or regulation shall control. In the event of a conflict between the terms of this NOFA and the FBH Round 3 Final Program Guidelines, guideline terms shall control.