

# Factory-Built Housing Regional Pilot Program Round 3 Grant Guidelines

*Draft August 2025*



CALIFORNIA  
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Visit [sgc.ca.gov/grant-programs/factory-built-housing/](https://sgc.ca.gov/grant-programs/factory-built-housing/) for more program information.

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

# I. About the Factory Built Housing Regional Pilot Program

## Program History

In December 2022, the Strategic Growth Council (SGC) passed a resolution on Housing, Climate, and Equity (Council Priority 3), which called on the Council and each member agency to support strategic and equitable growth through their programs and policies. In addition to elevating existing initiatives, the Resolution aims to identify additional tools and strategies to meet the State's housing, climate, and equity goals in a coordinated way, at the scale and pace necessary to close existing gaps and meet the urgency of current and projected needs.

In coordination with the California Business, Consumer Services, and Housing Agency, the California Department of Housing and Community Development, and the California Air Resources Board (CARB), SGC identified factory-built housing (FBH) as an opportunity to accelerate progress toward the State's housing, climate, and energy goals.

In October 2023, the SGC passed Resolution 23-02 directing staff to develop a pilot program that provides funding specifically for the expansion of energy-efficient manufacturing facilities eligible for and applying for federal assistance to build, utilize, or expand clean energy infrastructure, create jobs, and reduce emissions.

In 2024, SGC launched the FBH Pilot Program. Per Resolution 23-02, the FBH Pilot Program was designed to support FBH manufacturers pursuing federal funding to expand, retrofit, and/or build new energy-efficient facilities that produce energy-efficient housing. The program ran two application rounds, from August to September 2024 and from November 2024 to January 2025, yet did not make any awards.

Based on feedback gathered through additional consultation with FBH experts and market participants, on April 27, 2025, the Council adopted a revised resolution to support energy-efficient factory-built housing to meet the State's housing, climate, and equity goals.<sup>1</sup> The resolution directs SGC staff to develop a modified pilot program that expands the scope of the FBH Pilot Program by removing the requirement that program funds only be used to support FBH manufacturing facilities that are eligible for and pursuing federal funding. The redesigned program focuses on the deployment of factory-built housing units across California regions rather than on the manufacturing process itself.

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<sup>1</sup> California Strategic Growth Council, Resolution to Support Energy-Efficient Factory Built Housing (SGC Resolution 25-01) - April 27, 2025: [https://sgc.ca.gov/meetings-events/council/2025/04-30/docs/20250430-7\\_AttachmentA.pdf](https://sgc.ca.gov/meetings-events/council/2025/04-30/docs/20250430-7_AttachmentA.pdf)

## Connection to California Climate Investments and the Affordable Housing and Sustainable Communities Program

The Factory-Built Housing Regional Pilot Program is part of [California Climate Investments](#), a statewide initiative that puts billions of Cap-and-Invest, formerly known as Cap-and-Trade, dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in disadvantaged communities.

The funding for this program (\$12,000,000 for FY 2025-26) is an allocation from the Affordable Housing and Sustainable Communities program (AHSC). Because AHSC receives its funding from California’s Greenhouse Gas Reduction Fund, it is considered a California Climate Investments program. Programs funded in whole or part from the Greenhouse Gas Reduction Fund are considered to be part of California Climate Investments.

Public Relations 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.” This program’s focus on funding planning and technical assistance activities to regions and regional partnerships that support factory-built housing should help hasten progress towards meeting California’s housing and climate goals.

## II. Program Summary

### Addressing Housing, Climate, and Resilience Needs Through Factory-Built Housing

California faces a growing need for housing that is affordable, equitable, climate-smart, and resilient. At the same time, the State must meet ambitious greenhouse gas (GHG) reduction goals, confront the increasing frequency of climate-related disasters, and support long-term recovery in vulnerable communities. The Factory-Built Housing (FBH) Regional Pilot Program is designed to help meet these intersecting challenges by accelerating the adoption of factory-built housing solutions that are efficient, sustainable, and adaptable to diverse community needs.

Factory-built housing offers a transformative approach to housing production that can:

- Expand affordability by reducing construction costs and accelerating delivery;
- Reduce emissions and environmental impacts through low-waste, high-efficiency manufacturing processes;
- Strengthen community resilience with durable, fire-resistant materials and climate-adaptive designs; and
- Accelerate recovery by enabling faster deployment of interim and permanent housing following disasters.

By investing in regional partnerships and flexible implementation strategies, the FBH Pilot Program empowers communities to scale housing solutions that align with local goals and statewide priorities.

### Unlocking the Benefits of FBH for a Better Housing Future

Factory-Built Housing (FBH) refers to a residential building, dwelling unit, an individual dwelling room or combination of rooms, or building components that are either wholly or substantially manufactured at a facility that is separate and off-site from the location at which the building, unit, rooms, or components will be assembled (California Health and Safety Code Section 19971; California Building Standards Code 19990). Mobile homes and recreational vehicles do not qualify as factory-built housing (CBSC, Sections 18008 and 18012.5).

Unlike conventional site-built construction, FBH is produced in controlled, off-site environments using standardized, repeatable processes. This method offers numerous advantages that make it a critical tool in California's housing and climate action toolkit:

- **Faster Timelines:** Off-site fabrication enables parallel progress with site preparation, significantly reducing time to occupancy.

- **Lower Costs:** Streamlined production and reduced labor inputs can make FBH more cost-effective, particularly in high-cost regions.
- **Design Flexibility and Scalability:** FBH can support a wide range of housing types—from backyard ADUs to mid-scale infill projects—adaptable to the character and needs of different communities.
- **Reduced Emissions:** Energy-efficient manufacturing, less material waste, and compliance with California Green Building Standards (CALGreen) all contribute to a lower carbon footprint.<sup>2</sup>
- **Climate Resilience:** FBH can incorporate fire-resistant materials (e.g., mass timber panels), reflective roofing, and improved insulation, supporting communities facing wildfire, extreme heat, or other hazards.
- **Disaster Recovery Readiness:** With the ability to rapidly deploy interim or permanent housing, FBH is a key asset for communities recovering from wildfires, floods, and other emergencies.

## A Scalable, Equitable, and Climate-Aligned Housing Solution

The FBH Pilot Program recognizes that each region faces unique barriers to housing production—from fragmented permitting systems to aging infrastructure and capacity gaps. This program supports flexible, locally driven strategies that leverage FBH’s strengths to:

- Increase housing supply at a regional scale;
- Create pathways for public, private, and nonprofit partnerships;
- Expand housing access for Priority Populations;
- Meet the State’s climate and energy goals through innovative building approaches.

By unlocking the potential of FBH, California can build smarter, faster, and more equitably—without compromising environmental responsibility or community-driven development.

## Policy Objectives

By funding regional actions that advance factory-built housing production in California, this program aims to support the following objectives:

- 1. Increase Housing Supply and Affordability:** Expand the production of high-quality, affordable homes to meet diverse regional housing needs.
- 2. Reduce Greenhouse Gas Emissions:** Facilitate reductions in GHG emissions from residential construction processes, materials, energy use, and transportation.

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<sup>2</sup> State of California Building Standards Commission, California Green Building Standards Code (Part 11, Title 24, California Code of Regulations): <https://www.dgs.ca.gov/bsc/calgreen>

- 3. Prioritize Co-Benefits for Local Communities and Priority Populations:** Ensure that future FBH projects deliver community benefits, support a diverse workforce, and address local equity priorities.

## Funding Availability

SGC's Factory-Built Housing Regional Pilot Program (FBH Program) will distribute \$12 million, primarily through competitive grants, to help regions across California identify and remove barriers to deploying affordable, energy-efficient factory-built housing.

Funding will be allocated between two grant tracks—Catalyst Grants and Planning Grants—with a portion reserved for Technical Assistance and Capacity Building services for all applicants and grantees.

### Catalyst Grants

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

### Planning Grants

The FBH Program will provide Planning Grants of up to \$3,000,000 over a three-year term to support initiatives that have already completed or made significant progress in early-stage or exploratory activities, and that are poised to scale up planning and partnership efforts and/or advance toward more specific pre-implementation activities.

### Technical Assistance and Capacity Building Services

Approximately \$1,000,000 will be reserved for no-cost, flexible technical assistance (TA) and capacity building services available to applicants and grantees.

## Program Timeline

The anticipated program timeline for Round 3 of the FBH Pre-Development Pilot Program is subject to change. The most up-to-date timeline and upcoming events will be found on the [SGC FBH Program website](#).

The competitive Notice of Funding Availability (NOFA) for Round 3 will be released in the fourth quarter of 2025, following the approval of the Round 3 Grant Guidelines by the Council.

Applications for both grant types will be reviewed on a rolling basis until December 2026 or until all funds are obligated, whichever comes first.

Anticipated Date	Program Activity
August 27, 2025	Draft Round 3 Grant Guidelines Released for Public Comment
December 10, 2025	Final Round 3 Grant Guidelines Adopted by SGC
December 10, 2025	Notice of Funding Availability (NOFA) Released
December 12, 2025-May 15, 2026	Applications accepted on a rolling basis
Q1 2026-Q2 2026	Applications Reviewed
January 2026, March 2026, May 2026	Applications recommended for Council adoption on a rolling basis
February 2026, April 2026, June 2026	Grant Awards Announced (per SGC Council Meeting schedule)
Q3 2026-Q1 2027	Grant Agreements Executed
Q1 2027-Q1 2030	Project Completion Period
Q1 2027-Q1 2032	Project Performance and Reporting Period

## Grant Types

To support applicants at different stages of regional coordination and implementation readiness, the FBH Pilot Program offers two distinct grant types: Catalyst Grants and Planning Grants. Both grant types share the goal of expanding the regional adoption and impact of FBH, but they are designed to meet applicants where they are in the process of building regional capacity, developing shared strategies, and preparing for implementation.

### Catalyst Grants

**The FBH 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 applicants who are exploring the potential benefits, considerations, and pathways for FBH in their service areas and communities. Catalyst Grants are open to a broader range of applicants and applicant teams than Planning Grants, and feature more flexible eligibility requirements for lead applicants.

Catalyst grantees may use funds for a variety of early-stage activities that typically precede and lay the groundwork for more intensive planning and pre-implementation projects, including, but not limited to, building or strengthening new partnerships or coalitions, and conducting research and market studies to inform and support future FBH production and use.

## Planning Grants

**The FBH Program will provide Planning Grants of up to \$3,000,000 over a three-year term** to support initiatives that have already completed or made significant progress in early-stage or exploratory activities, and that are poised to scale up planning and partnership efforts and/or advance toward more specific pre-implementation activities.

Collaboratives that apply for a Planning Grant must include at least one member with the authority to implement as described above.

Applicants must also be able to identify clear planning objectives and demonstrate readiness and capacity to meet those objectives to be eligible for a Planning Grant award.



## III. Eligibility

### Eligible Applicants

Applicants must demonstrate the capacity to lead or support multi-jurisdictional or regional strategies that enable or accelerate factory-built housing solutions and benefit Priority Populations.

Eligible applicant types for the FBH Program are the following:

- **Applicant:** Any eligible applicant per Catalyst or Planning grant eligibility requirements below. Applicants include individual entities, as well as collaboratives, partnerships, and any other group of two or more applicants, provided that the lead Applicant is authorized to receive and hold public funds.
- **Lead Applicant:** The lead applicant serves as the primary party responsible for ensuring overall project coordination and compliance. SGC Lead applicants will also act as the main point of contact with SGC.
  - The lead applicant must be authorized to receive and hold public funds.
  - SGC will only enter into a contract with the lead applicant.
  - SGC can enter into a contract with a collaborative serving as the lead applicant if the collaborative has the authority to receive and hold funds
- **Applicant Team:** An applicant team may be made up of a group of any eligible individual applicants, to be led by a single lead applicant.

### Applicant Eligibility Criteria

Applicants must meet all of the following criteria to be considered for **either Catalyst or Planning Grants**:

- **Applicants and applicant teams must** demonstrate commitment to and/or a history of working at the regional level to:
  - accelerate production and use of factory-built housing, **and/or**
  - advance innovative, affordable housing solutions
- **Lead applicant or one member of an applicant team must:**
  - be a legal entity authorized to enter into agreements and hold funds, **or**
  - be operating under a fiscal sponsor authorized to enter into agreements and hold funds
- **For-profit entities may not** apply directly but may serve as project partners, vendors, or subcontractors.

## Catalyst Grant Eligible Applicants

Catalyst Grants are designed for local and regional entities with a demonstrated commitment to exploring FBH opportunities, forming new partnerships, or conducting early-stage efforts to build regional knowledge, capacity, and stakeholder support for FBH development.

Catalyst Grant applicant teams have the flexibility to explore and build partnerships without requiring immediate implementation capacity. A lead applicant is not required to identify potential partners in their application when applying for a Catalyst Grant.

Eligible lead applicants for the Catalyst Grant include the following entities:

1. **Local Governments:** Any city, county, or city and county government in the state of California. State governments and agencies are not eligible.
2. **Multijurisdictional entities operating in the state of California, including:**
  - **Metropolitan Planning Organizations (MPOs):** Federally designated regional planning bodies responsible for coordinating transportation planning and investment decisions in metropolitan areas.
  - **Joint Powers Authorities (JPAs):** Legal entities formed when two or more local public agencies agree to jointly exercise common powers to accomplish shared goals.
  - **Regional Transportation Planning Agencies (RTPAs):** State-designated regional entities responsible for preparing regional transportation plans and programming transportation funds.
  - **Councils of Governments (COGs):** Voluntary associations of local governments that work together to plan and address regional issues such as transportation, housing, and the environment.
  - **Regional Housing Finance Authorities:** Public entities established under state law to finance, support, and coordinate affordable housing development at a regional scale.
3. **Community Development Financial Institutions (CDFIs):** Private financial institutions certified by the U.S. Department of the Treasury to provide credit, capital, and financial services in underserved markets and communities in the state of California.
4. **Community-Based Organizations (CBOs) and Nonprofits:** 501(c)(3) nonprofit organizations, non-governmental organizations, philanthropic organizations/foundations, tribal-serving organizations in the state of California.
5. **California Institutions of Higher Education:** Public or private non-profit colleges, universities, and community colleges located in the state of California.
6. **Special Districts (e.g., School Districts):** Local governmental units established in the state of California for a specific purpose, such as economic development, infrastructure, affordable housing, education, water, fire protection, or parks and recreation.
7. **Public Authorities:** Public entities created by legislation or ordinance in the state of California to carry out specific governmental functions, often with independent governing boards.
8. **Other Public Agencies:** Governmental or quasi-governmental organizations at the local or regional level in the state of California, including departments, boards, and commissions.

9. **Public Corporations (California GC § 811.2, excluding State Agencies):** Corporations formed by the state or local governments in the state of California for public purposes, distinct from private corporations, and granted legal powers to carry out public functions.
10. **Organizations Under Fiscal Sponsorship:** Private organizations, collaboratives, and networks that are fiscally sponsored by any of the organizations listed above are also eligible.

## Planning Grant Eligible Applicants

Planning Grants are designed for local and regional entities with demonstrated commitment to advancing FBH in their service areas and communities and the ability or authority to implement identified changes. Planning Grant applicant teams should be ready to address specific gaps to enable or prepare for FBH development and possess the legal authority or ability to implement or significantly advance their proposed actions.

Planning Grant applicants must demonstrate readiness for implementation in their application, including the identification of relevant partnerships, commitments, and their own implementation capacity. Planning Grant proposals must identify a lead applicant or applicant team member with the authority or demonstrated ability to implement the proposed activities, including but not limited to land use changes, infrastructure planning, or public-private partnership development.

**Eligible lead applicants include the same entities as Catalyst Grants**, with the additional requirement that:

- **At least one member of the applicant team must:**
  - Have formal jurisdictional authority (e.g., city, county, housing authority) to implement the proposed planning actions, if applicable; or
  - Demonstrate a track record of collaborating with implementing agencies to carry out similar efforts at the proposed scale.

Fiscal sponsorship is allowed for nonprofit-led efforts, provided the sponsor meets the above requirements.

## Eligible Activities

The Factory Built Housing Regional Pilot Program (FBH Program) will support a broad range of activities that help regions plan for, enable, and expand the use of factory-built housing. Proposed activities must clearly align with the program's objectives of increasing housing supply, reducing greenhouse gas emissions, building regional capacity, and prioritizing co-benefits for local communities and Priority Populations.

Activities proposed for either Catalyst or Planning grants must advance one or both FBH Program strategies:

- 1. Build Regional Ecosystems of Factory-Built Housing Planners and Implementers:** Identify and support roles, responsibilities, and capacities of regional entities that can facilitate efficient deployment of factory-built housing.
- 2. Advance Factory-Built Housing Solutions and Innovation:** Support, expand, and accelerate the development, deployment, and use of FBH and other industrialized construction methods across California. Elevate and enable promising approaches for identifying and removing barriers to the manufacturing and delivery of affordable, energy-efficient FBH.

Additionally, proposed activities must meet all of the following criteria to be considered for either Catalyst or Planning grants:

- 1. Regional Focus:** Activities must be regional in scope and cannot be statewide. Applicants must define a contiguous region based on shared systems, risks, or other common characteristics. Use of an existing regional designation is allowed but not required.
- 2. Activity Type:** Activities may not include pre-development or direct development/construction (see *Ineligible Activities*) and must be covered under the categories of eligible activities below (see *Eligible Activity Types*).
- 3. Benefit to Priority Populations:** Applicants must demonstrate that proposed activities will serve or benefit California Climate Investments (CCI) “Priority Populations,” which include:
  - Residents of census tracts designated as disadvantaged (SB 535)
  - Residents of census tracts designated as low-income (AB 1550)
  - Low-income households (AB 1550). The Priority Populations Map is available at: <https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348>

## Eligible Activity Types

Applicants will propose activities and their respective costs up to the maximum levels of either the Catalyst or Planning Grant tracks. Applicants will prepare a budget and activity justifications as part of the Application process to indicate whether they are proposing exploratory (Catalyst) or advanced (Planning) activities. Applicants must demonstrate alignment between each proposed activity and one or both of the FBH Program strategies listed above.

Applicants may use the following activity categories as a guide to help shape a Proposal Workplan:

- Regional Research and Planning
- Community and Stakeholder Engagement
- Capacity Building and Technical Assistance
- Policy, Land Use, and Regulatory Alignment
- Market and Project Development
- Financing Tools and Incentives

Applicants are encouraged to propose activities that reflect regional priorities and that demonstrate how their efforts will create enabling conditions for the long-term use of FBH in their communities. SGC may request additional information as needed to meet other applicable reporting or audit requirements.

## Eligible Activities by Grant Type

Applicants must select the grant type that best aligns with their current level of collaboration, project readiness, and desired outcomes. Proposals must clearly demonstrate how the proposed activities align with the scope and purpose of the selected grant type.

### Guidance on Selecting a Grant Type

Applicants should select the grant type that aligns with their regional context and institutional readiness:

- Select a Catalyst Grant if your region is in the early stages of partnership formation, stakeholder engagement, or FBH exploration. Catalyst Grants are ideal for building relationships, elevating regional awareness, and identifying enabling conditions for future work.
- Select a Planning Grant if your region has already formed partnerships or collaborative structures and has demonstrated ability to execute regional housing, land use, or development strategies.

Applicants may contact SGC staff to discuss which grant type is most suitable for their proposal.

### Catalyst Grants

Catalyst Grants are intended to support early-stage exploration, coordination, and foundational planning. These grants are well-suited for regional partners or emerging collaboratives that are new to FBH, building cross-jurisdictional relationships, or conducting discovery work to better understand how FBH strategies can be applied in their region.

Activities funded under Catalyst Grants may include—but are not limited to:

- Initial regional scans of FBH demand, siting opportunities, or community housing needs;
- Convening cross-sector or cross-jurisdictional partners to assess interest and identify priorities;
- Engaging community-based organizations, developers, and manufacturers in exploratory dialogue;
- Conducting early-stage workforce assessments and asset mapping;
- Launching peer learning exchanges and regional dialogues on FBH opportunities;
- Identifying early regulatory and land use barriers and brainstorming reform opportunities.

Catalyst Grants are expected to result in increased regional alignment, stakeholder readiness, and shared understanding of FBH opportunities. While they may include discrete planning or

engagement deliverables, they are not intended to produce fully developed action plans or implementation frameworks.

Applicants may propose other Catalyst activities not explicitly listed to be approved by SGC. SGC will evaluate these proposals on a case-by-case basis to determine eligibility and alignment with the FBH Program objectives.

### Planning Grants

Planning Grants are intended to support regions with more established partnerships and greater capacity to develop strategic, action-oriented plans that can enable or accelerate future FBH implementation. These applicants may include formal regional collaboratives, councils of governments, or other entities with demonstrated ability to execute regional housing, land use, or development strategies.

Activities funded under Planning Grants may include—but are not limited to:

- In-depth regional housing or FBH market analysis and development of action plans;
- Identification and feasibility assessment of potential sites for FBH development;
- Predevelopment work and pilot project pipeline planning;
- Regional regulatory or permitting reform initiatives;
- Design of regional financing tools or subsidy alignment strategies;
- Development of implementation governance structures or memoranda of agreement among jurisdictions;
- Integration of FBH strategies into regional transportation, climate, or housing plans.
- Other activities that enable or accelerate future FBH implementation.

Planning Grants are expected to produce tangible outputs—such as regional FBH strategies, policy toolkits, or implementation roadmaps—that can inform subsequent project development, regulatory reform, or investment planning.

Applicants may propose other Planning activities not explicitly listed to be approved by SGC. SGC will evaluate these proposals on a case-by-case basis to determine eligibility and alignment with the FBH Program objectives.

### Co-Benefits

As a program funded by California’s Greenhouse Gas Reduction Fund (GGRF), all activities supported by the FBH Regional Pilot Program must both reduce greenhouse gas emissions and, where feasible, deliver co-benefits.

**Co-benefits** are additional positive outcomes for communities, the economy, and the environment that result from program investments.

Potential co-benefits for FBH projects include:

- Developing the local workforce and building regional capacity

- Creating or retaining quality jobs and entrepreneurial opportunities
- Advancing climate adaptation and community resilience
- Maximizing economic, environmental, and public health benefits statewide
- Improving air quality and reducing other pollutants
- Prioritizing investments and benefits in disadvantaged or low-income communities

Applicants are also encouraged to incorporate community and workforce engagement activities—such as creating Community Benefits Plans, forming workforce partnerships, and mitigating negative impacts to ensure that the benefits of FBH manufacturing reach local communities.

## Ineligible Activities

Ineligible activities include:

- Direct construction of housing units or on-site building costs not related to regional FBH planning or capacity-building objectives.
- Direct financial assistance (such as rental subsidies or mortgage assistance) to individuals or households.
- Acquisition of land or property that does not directly support regional FBH strategies.
- Activities that duplicate efforts already funded by another state or federal program without adding clear value.
- General operating expenses of organizations that are not directly tied to delivering proposed program activities.
- Political or lobbying activities, or preparation of materials intended for legislative advocacy.
- Projects or activities that do not align with the program’s goals of advancing FBH solutions, addressing housing shortages, or reducing greenhouse gas emissions.

## Comparing Grant Types

Grant Type	Catalyst Grants	Planning Grants
<b>Eligible Applicants – Who Should Apply?</b>	Local and regional entities and coalitions exploring factory-built housing opportunities, forming new partnerships, or conducting early-stage efforts to build regional knowledge, capacity, and stakeholder support for FBH development.	Local and regional partners who are ready to move towards addressing specific hurdles and preparing for FBH production and possess the legal authority to implement or have demonstrated ability to significantly advance their proposed actions.
<b>Applicant Considerations</b>	<ul style="list-style-type: none"> <li>• Are you interested in exploring FBH as a</li> </ul>	<ul style="list-style-type: none"> <li>• Have you already identified specific barriers and</li> </ul>

	<p>potential solution to solve your area's housing challenges?</p> <ul style="list-style-type: none"> <li>• Are you in need of partnerships and coalitions to advance FBH development?</li> <li>• Are you interested in understanding how to build capacity and demand for FBH?</li> </ul>	<p>opportunities for FBH production in your region?</p> <ul style="list-style-type: none"> <li>• Do you (or an identified partner) have demonstrated ability to implement proposed solutions?</li> <li>• Are you ready to progress from planning to implementing strategies to increase FBH in your region?</li> </ul>
<b>Eligible Activities</b>	<ul style="list-style-type: none"> <li>• Identifying and assessing gaps, barriers, and potential for FBH development regionally</li> <li>• Building local and regional knowledge, capacity, buy-in, and partnership networks to support potential production, deployment, or use of FBH as an affordable housing solution</li> </ul>	<p>Activities included under Catalyst Grants, <b>AND</b> proposed activities that</p> <ul style="list-style-type: none"> <li>• Clearly address identified gaps, barriers, and potential for regional FBH development</li> <li>• Focus on scaling FBH production, deployment, and/or demand and preparing the region for FBH development projects</li> </ul>
<b>Project Examples (not exhaustive)</b>	<ul style="list-style-type: none"> <li>• Market feasibility studies</li> <li>• Coalition building between local governments and developers</li> <li>• Workforce Capacity Assessments</li> <li>• Research on regulatory barriers to FBH production</li> </ul>	<ul style="list-style-type: none"> <li>• Amending local and regional policies to streamline permitting processes for FBH projects</li> <li>• Creating financing tools and incentives tailored to FBH</li> <li>• Developing pre-approved FBH designs</li> </ul>
<b>Total Funding Available</b>	\$2,000,000	\$9,000,000
<b>Maximum Award Amount</b>	\$500,000	\$3,000,000
<b>Grant Term/Reporting Period</b>	Two years	Three years
<b>Disbursement</b>	Reimbursement	
<b>Match Required</b>	No match required	
<b>Advance Pay Option</b>	Non-profit Catalyst grantees with 501(c)(3) status may request advance pay of up to 25% of the full grant award	Not available to Planning grantees.



<b>NOFA Release</b>	December 10, 2025
<b>Application Release Date</b>	December 12, 2025
<b>Application Deadline</b>	Applications for both grant types will be reviewed on a rolling basis until December 2026 or until all funds are obligated, whichever comes first.
<b>Award Timeline</b>	Rolling basis until all funds are obligated.

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## IV. Application

### Preparing and Submitting an Application

All applications must be submitted electronically via the Submittable online platform. PDF or email submissions will not be accepted. Applicants should allow adequate time to upload and verify all components before submission.

Applicants are strongly encouraged to carefully review the NOFA, grant guidelines, and any FAQ resources on the SGC website before beginning an application. Questions regarding the application process may be submitted through the Submittable platform's inquiry form.

### Application and Review Process Timeline

SGC anticipates the NOFA to be released on or around December 10, 2025, with an open application window beginning on December 12, 2025.

SGC will accept applications on a first-come, first-served basis through April 2026, or until funds are obligated. If an Application 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.

SGC and an interagency review panel will score applications that meet threshold criteria defined in Section III.

Top-scoring applicants will be invited to a one-hour interview with SGC and an interagency review panel. After the interview, the scores 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 proposal submitted for consideration, including whether it is recommended for award.

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

### Application Components

The Application will include the following components:

- **Narrative Responses:** Applicants will respond to a series of questions that offer a detailed description of the applicant's project proposal.
- **Workplan, Timeline, and Budget:** Applicants will complete an Excel workbook that outlines the proposed work, timeline of work, and budget breakdown.
- **Project Area Map:** Applicants will provide a map that identifies their Project Area and Priority Populations.

- **Partnership Development:** When applicable, the lead applicant and their identified partners will develop a preliminary Agreement that details the organization of and decision-making processes within their proposed partnership structure. The Agreement does not need to be signed until a grant has been awarded.
- **Letters of Commitment for all Partners:** All Partners must submit a signed letter to demonstrate their commitment to and ability to contribute to their RCC project if awarded.
- **Resolution or Letter of Authorization for the Lead Applicant:** Lead applicants must verify their ability to accept and execute the grant if awarded, with the following documentation:
  - If the lead applicant is a public agency, they must provide evidence in their application of an adopted formal resolution or demonstrate ability and commitment to adopt one that includes an authorization to apply for and accept a FBH Grant, and the authority to execute all proposed activities if awarded.
  - If the lead applicant is an eligible applicant that is not a public agency, they must include either an authorization in the form of a formal letter or a resolution passed by the organization’s governing body that includes authorization to apply for and accept a FBH Grant, and authority to execute all related projects if awarded.

## Scoring Criteria

Category	Max. Points	Evaluation Description
<b>Project Concept and Goals</b>	20	Assesses clarity, innovation, and feasibility of the proposed FBH project. Reviewers will evaluate whether the project addresses an identified housing need, has clearly defined objectives, and demonstrates potential for replicability or scalability. Projects should include measurable outcomes and a logical framework connecting activities to anticipated results. For Planning projects, priority will be given to proposals that illustrate a clear path from proposed activities and the expansion of housing supply in the state of California.
<b>Equity and Priority Populations</b>	15	Evaluates how the project prioritizes housing production and co-benefits for historically underserved, low-income, or disproportionately impacted populations. Reviewers will consider engagement strategies, outreach plans, and expected benefits for these populations, including inclusion of Tribes or Nations where applicable.

Category	Max. Points	Evaluation Description
<b>Project Implementation and Workplan</b>	20	Focuses on the quality, detail, and feasibility of the proposed workplan, timeline, and budget. Reviewers assess whether the project demonstrates a realistic sequencing of tasks, sufficient staffing, and appropriate allocation of resources to achieve objectives. Clear identification of roles and responsibilities for the lead applicant and partners is essential.
<b>Partnerships and Collaboration</b>	15	Assesses the strength and relevance of partnerships. Reviewers will evaluate letters of commitment, preliminary partnership agreements, and alignment of partner expertise to project needs. Projects with well-defined decision-making structures and cross-sector collaboration will score higher.
<b>Technical Capacity</b>	15	Evaluates the applicant’s and partners’ experience, skills, and organizational capacity to execute the project successfully. Includes prior experience with FBH, housing development, community engagement, or related programs. Adequate staffing, project management, and technical expertise are required.
<b>Budget and Cost Effectiveness</b>	10	Assesses whether the proposed budget aligns with the project scope, activities, and anticipated outcomes. Reviewers consider cost reasonableness, use of funds, and clear justification for each expense. Projects demonstrating leverage of additional funding or in-kind resources may score higher.
<b>Sustainability and Long-Term Impact</b>	5	Evaluates the potential for the project to achieve lasting benefits beyond the grant term. Reviewers consider plans for maintenance, scalability, and replication of FBH solutions, as well as integration with broader housing or resilience strategies.
<b>Innovation and Replicability</b>	5	Rewards creative approaches to FBH project design, construction, delivery, or financing. Projects that demonstrate novel solutions with potential to be replicated across other jurisdictions or communities will score higher.

**Total Points: 100**

## Evaluation Process

1. **Threshold Review:** Applications must meet minimum eligibility and completeness standards (as outlined in Section III). Applications failing threshold review are not scored.
2. **Initial Scoring:** Each application will be scored by SGC staff and an interagency review panel.
3. **Final Recommendation:** SGC staff will summarize scores, provide a written recommendation, and present the results to the Council for approval at a public meeting.

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## V. Post-Award

The requirements and processes described below apply to both Catalyst and Planning Grants unless otherwise indicated.

### Grant Agreement

Upon award to an applicant, SGC shall enter into one or more agreements with the Applicant, one of which will be in the form of a State of California Standard Agreement (Grant Agreement), which shall commit funds from the Factory-Built Housing Regional Pilot Program in an amount sufficient to fund the approved grant amount.

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

The Grant Agreement will clearly identify all required deliverables, reporting schedules, invoicing requirements, and timelines for project completion. Grantees are responsible for complying with all reporting and financial requirements outlined in the Grant Agreement.

### Project Deliverables

The information below outlines required deliverables for both grant types. Any project-specific deliverables and reporting schedules will be clearly identified in their Grant Agreement.

#### Detailed Workplan and Budget

Grantees must develop and submit a detailed Workplan and Budget that will serve as a roadmap during the grant term. Grantees will be required to submit their Workplan and Budget prior to executing the grant agreement. The Workplan and Budget serve as the roadmap for the project, identifying all activities, project phases, timelines, deliverables, roles and responsibilities, projected costs, and anticipated outcomes.

The Workplan and Budget will include justifications for how the proposed costs contribute to the FBH Pilot Program strategies and policy goals. SGC will provide templates and technical assistance to support grantees in developing these materials. SGC may request additional information as needed to meet other applicable reporting or audit requirements.

### 1. Invoicing and Reporting

FBH grantees will be required to submit regular progress reports and invoices, a mid-term report, and a final report. SGC will provide forms, templates, and instructions for invoices, reimbursement request forms, regular progress reports, mid-term reports, and the final report.

#### Regular Invoices and Progress Reports

All Grantees will submit invoices and reimbursement request forms according to the invoicing and reimbursement schedule outlined in the Grant Agreement. All invoices must include a progress

report that describes the activities undertaken, milestones met, and deliverables completed during the reporting period.

### Regular Check-In Meetings

All Grantees can expect to participate in regular check-in meetings with SGC staff and TA providers. During these meetings, Grantees and FBH Program staff will review project invoices and progress reports to date, discuss any challenges, and identify solutions and/or necessary amendments to the work plan or budget. Program staff will provide feedback and guidance on project activities and deliverables, and Grantees will have the opportunity to ask questions and request TA or other support.

### Mid-Term Report

Approximately halfway through the grant term, Grantees will submit a mid-term report to:

- Provide a comprehensive assessment of project progress and status to date (including milestones and objectives met and remaining, expenditures, and any other information outlined in the Grant Agreement);
- Present deliverables, output, and project impact to date;
- Demonstrate compliance with all reporting and compliance requirements set forth in the Grant Agreement; and
- Identify any barriers or challenges that have or may significantly alter the project timeline, deliverables, or scope.

The deadline for the Mid-Term Report will be identified in the Grant Agreement and based on the agreed upon workplan and project timeline.

### Final Report

- In the final phase of the project, Grantees will submit a final report to:
- Provide a comprehensive assessment of project progress and status to date (including milestones and objectives met and remaining, expenditures, and any other information outlined in the Grant Agreement);
- Present deliverables, output, and project impact to date;
- Demonstrate compliance with all reporting and compliance requirements set forth in the Grant Agreement;
- Identify any barriers to timely completion of project scope and grant requirements; and
- Evaluate overall project progress, impact, successes, challenges, and lessons learned during the project period. Grantees will use the Workplan and Budget submitted at the beginning of the grant term, as well as their mid-term report, to gauge progress and outcomes.

The deadline for the Final Report will be identified in the Grant Agreement and based on the agreed upon workplan and project timeline.

## Eligible Costs

The information below outlines eligible cost types for reimbursement from the FBH Program for both grant types.

### Eligible Direct Costs

Direct costs are expenses that can be specifically identified with the implementation of the grant project and are necessary to carry out the approved work plan. These costs are directly tied to project activities, deliverables, or milestones, and may include, but are not limited to:

- Personnel costs for staff, contractors, and vendors who are directly engaged in performing project activities
- Equipment and supplies required for the execution of project tasks
- Travel expenses directly related to project implementation, including transportation, lodging, and meals. Travel reimbursements must adhere to the rates and conditions established by the State of California on the CalHR website. Note that out-of-state travel and incidental expenses are not eligible for reimbursement unless specifically approved in the Grant Agreement
- Other direct project-related expenses that are explicitly necessary to achieve the goals and deliverables outlined in the workplan and budget

The FBH Program may consider other direct costs on a case-by-case basis.

Direct costs incurred after the grant award but prior to execution of the Grant Agreement may be eligible for reimbursement only if explicitly authorized in the Grant Agreement and in compliance with all program requirements.

### Eligible Indirect Costs

Indirect costs are expenses that are not directly attributable to a specific project activity or deliverable but are necessary for the general operation of the Grantee organization and the administration of the grant. For the purposes of the FBH Program, indirect costs may include, but are not limited to:

- General administrative and clerical salaries (e.g., finance, human resources, or executive staff) that support overall project management
- Office rent, utilities, and insurance
- Accounting, auditing, or financial management services
- General office supplies and equipment not dedicated exclusively to the project
- Organizational overhead related to maintaining compliance, reporting, or internal controls

Grantees may request reimbursement for indirect costs up to 10% of the total grant award (excluding equipment purchases over \$5,000 per unit). Requests for higher indirect cost rates require prior approval and must include supporting documentation.



## Ineligible Costs

The following costs are ineligible for reimbursement under the FBH 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 Application or Proposal.
- Lobbying or advocacy work, such as direct lobbying for the passage of specific bills or local propositions;
  - Grantees may use program funds to develop propositions relevant to FBH activities, but cannot use funds to support lobbying activities to advance or pass legislation
- 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 prior to the date of grant award, unless otherwise specified in the Grant Agreement and approved by SGC.

## Reimbursement of Eligible Costs

Eligible costs incurred after the award date are eligible for reimbursement, provided they are specified in the Grant Agreement and approved by SGC upon execution of the Grant Agreement. Eligible costs incurred after the execution of the Grant Agreement are eligible for reimbursement.

All reimbursement requests for eligible costs must include a detailed invoice accompanied by supporting documentation, including evidence of expenditures and a progress report that describes the activities completed, milestones achieved, and deliverables produced during the reporting period. The FBH Program will provide an invoice template and instructions for use by the Grantee.

Invoices may be submitted on a bimonthly basis (every two months) or in accordance with the schedule specified in the Grant Agreement. FBH Program staff will review submitted invoices to verify that costs are eligible and consistent with the approved Workplan and Budget. Once verified, funds will be disbursed to the Grantee.

SGC will retain 5% of the total grant award until the successful completion of the project and fulfillment of all grant requirements, as documented in the final report and verified by the State.

Grantees are expected to maintain complete, organized, and auditable records of all financial transactions throughout the project term, to support both routine monitoring and potential post-grant audits.

## Advance Pay Option

In accordance with AB 590, eligible grantees may receive up to 25 percent of their total grant award as an advance. Advance payment is available only to Catalyst grantees that are registered 501(c)(3) nonprofit organizations in good standing, and advance pay disbursements must be deposited into a federally insured account.

The State may prioritize advance payments for projects serving disadvantaged, low-income, and under-resourced communities.

Eligible grantees must demonstrate current status in good standing as an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

## Disbursements and Accounting of Funds

Disbursement of grant funds requires verification of eligible costs. The Grantee will be responsible for compiling and submitting all invoices, supporting documentation, and reporting materials in accordance with invoicing and reporting requirements and schedules.

Once the package has been approved for payment, funds will be disbursed to the Grantee.

- 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 Grant 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.

## Non-Performance and Non-Compliance

SGC has sole discretion to determine if the 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 the 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 Grant Agreement if determined not to have been performed in accordance with the Grant Agreement.

SGC may withhold any reimbursements due to the 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 puts 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.

## Audits and Record Retention

At any time during the term of the Grant 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.

## VI. Appendices

### Glossary

**Accessory Dwelling Unit (ADU)** – As defined by the State of California, an Accessory Dwelling Unit (ADU) is an attached or a detached residential dwelling unit that provides complete, independent living facilities for one or more persons, and is located on a lot with a proposed or existing primary residence. An ADU includes permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is, or will be, situated. ADU typologies include a) efficiency units and b) manufactured homes, as defined in Section 18007 of the Health and Safety Code.

**California Climate Investments (CCI)** - The FBH Program is part of [California Climate Investments](#) (CCI), a statewide program that works with SGC and other state agencies to administer California Greenhouse Gas Reduction Funds (GGRF), which are allocated by the State legislature. CCI supports programs and projects that reduce greenhouse gas (GHG) emissions, strengthen the economy, and improve public health and the environment - particularly in disadvantaged communities. CCI projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, sustainable agriculture, recycling, and more. The use and administration of CCI funds are governed by guidelines set forth by the California Air Resources Board (CARB), the state agency responsible for protecting public health and welfare by reducing air pollutants in California.

**California Strategic Growth Council (SGC)** - The FBH Pre-Development Pilot Program is administered by the California Strategic Growth Council (SGC). SGC staff are responsible for developing Grant Guidelines, releasing Notices of Funding Availability (NOFAs), conferring with the Council, making grant awards, and administering the program. SGC seeks to advance public health, racial equity, local economies, energy efficiency, affordable housing, and sustainable transportation in underserved communities through multi-benefit investment programs. SGC's programs support both capacity building and infrastructure development, centering community needs while promoting strategic growth statewide.

**Co-Benefits** – Co-benefits for projects funded by SGC are defined by CARB and CCI as the positive, indirect outcomes of climate investments beyond greenhouse gas (GHG) reduction. Co-benefits can include improvements and advancements for local economic opportunity and workforce development, public health, sustainability, community resilience, the protection of natural and agricultural lands, and improved social equity in disadvantaged communities. The CCI Co-Benefit Assessment Methodologies resource page includes an expanded definition, tools and processes for identifying and measuring co-benefits, and additional examples of co-benefits for SGC projects.

**Community Engagement** - 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, refers to the following geographies:

- Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0;
- 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;
- Census tracts identified in the 2017 SB35 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0; and
- 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.

**Factory Built Housing** - As defined in the California Health and Safety Code Section 19971, Factory-Built Housing (FBH) refers to 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 California Building Standards Code 19990.

Mobile homes and recreational vehicles do not qualify as factory-built housing (CBSC, Sections 18008 and 18012.5).

In California, newly-constructed FBH must be 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).

**Grant Performance and Reporting Period** - The span of time during which a grantee must carry out approved activities and submit required reports.

**Grant Term** - The full duration of the grant agreement, covering all obligations from award to closeout.

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

**Notice of Funding Availability (NOFA)** – a notification issued by the Strategic Growth Council that announces the availability of program funds, and which includes the application cycle starting date, the deadline date for application submission, and the allocations amounts for each grant program category.

**Nonprofit Organization** - Any nonprofit corporation (including religious institutions, Community Based Organizations, and 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>