

Resolution to support energy-efficient factory-built housing to meet the State's housing, climate, and equity goals

WHEREAS in Dec. 2022, the Strategic Growth Council (SGC or the Council) unanimously supported its first-ever resolution on Housing, Climate and Equity (Council Priority 3), which declared the intent of the Council to take steps as individual agency members and in Council programs and policies to increase the availability of affordable housing and meet the goals of our state's climate change policies;

WHEREAS, since that resolution by the Council, Governor Gavin Newsom has taken numerous, significant steps to streamline climate-resilient and otherwise critical infrastructure through budget and legislative initiatives to expedite construction methods, permitting, and judicial review for state and local infrastructure projects;

WHEREAS the statewide housing plans call for California to plan for more than 2,500,000 homes by 2030, with over 1,000,000 of those homes affordable to lower-income households;

WHEREAS the California Air Resources Board's 2022 Scoping Plan aims to reduce greenhouse gas emissions 85% below 1990 levels by 2045, including a 48% reduction of 1990 levels greenhouse gases by 2030, surpassing the statutory mandate to reduce emissions 40% below 1990 levels in 2030;

WHEREAS building the housing needed to help the state meet its production and affordability goals requires consistent and coordinated action to innovate the design, materials, construction management, and governmental incentives and financing of housing projects;

WHEREAS innovations in factory-built housing (FBH) that are designed and constructed in compliance with the California Green Building Standards Code, the first-in-the-nation mandatory green building standards code with goals of energy efficiency, water efficiency and conservation, material conservation and resource efficiency and environmental quality, have demonstrated potential to address the above-mentioned barriers to the state's housing production and affordability goals while reducing the production-related emissions inherent in residential construction;

WHEREAS the Council has called for deeper, more coordinated commitments and actions regarding the alignment of the state's housing, climate and equity efforts to build more sustainable communities at a pace necessary to meet the urgency of current and projected needs;

WHEREAS in Oct. 2023, the Council adopted a resolution to support energy-efficient factory-built housing to meet the State's housing, climate and equity goals (SGC Resolution 2023-02) and directed 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;

WHEREAS following the adoption of SGC Resolution 2023-02, the staff of the Strategic Growth Council launched the Factory-Built Housing Pre-Development Pilot Program (FBH Pilot Program) as an opportunity to accelerate progress for the State's housing, climate, and energy goals and leverage available federal resources;

WHEREAS the FBH Pilot Program ran two application rounds from Aug. to Sept. 2024 and from Nov. 2024 to Jan. 2025, yet did not make any awards;

WHEREAS as a result of feedback on the FBH Pilot Program that was acquired through additional market research, a public request for information, and direct consultation with developers, builders, manufacturers, academics, philanthropy and agency partners, the staff of SGC have identified barriers for deployment of factory-built housing in California; and

WHEREAS removing the requirements that FBH Pilot Program funds only be used to support FBH manufacturing facilities that are eligible for and pursuing federal funding will broaden the scope of eligible activities and enable the FBH Pilot Program to have a more immediate impact in addressing the urgency of the housing, climate, and energy crisis.

NOW, THEREFORE, BE IT RESOLVED, SGC Resolution 23-02 is hereby repealed in its entirety; and

BE IT FURTHER RESOLVED, the Council directs the staff of SGC to coordinate with member agencies and departments of the Council, the California State Air Resources Board, and other state entities, as needed and beneficial to the State, on the development of a modified pilot funding program that:

- a) Evaluates the potential of FBH to reduce greenhouse gas emissions and contribute to the state's housing production and affordability goals; and
- b) Assesses potential interventions to address challenges to the provision and deployment of FBH in California; and
- c) Provides funding to support the expansion of FBH in California.

SGC Resolution 25-01

Adopted by the Council on _____, 2025