**Questions and Answers Document**

# Note: Added language appears in **bold underline**, and deleted language appears in [~~strikethrough~~] and within square brackets

# **Disclaimer**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received. It is the Applicant’s responsibility to review the Solicitation Manual and to determine whether their proposed project is eligible for funding by reviewing the Eligibility Requirements within the solicitation. The CEC cannot give definitive advice as to whether a particular project is eligible for funding, because not all proposal details are known.

**Addendum 2 to GFO-22-305 adds answers to questions submitted after the question submission deadline. These additions are made at the end of this document as questions 42 to 47.**

**Table of Contents**

**Disclaimer** **1**

**General/Administrative** **1**

**Technical** **12**

# **General/Administrative**

Q1. Would multi-family projects be eligible for the program?

**CEC:** Yes, if the proposal meets all the requirements in the solicitation manual.

Q2. Is the grant intended to cover the purchase of property in California and the construction of a home on that property?

**CEC:** No. The grant does not fund the purchasing of property. Section I.C. of the solicitation manual states: “The CEC grant will pay for the incremental cost difference between a standard home versus the zero-carbon home.”

* **For Group 1:** The CEC grant will only pay for the incremental cost difference between a manufactured home built to the U.S. Department of Housing and Urban Development (HUD) standards and the advanced manufactured home as described in Section I.C. Features of the advanced manufactured home can include pre-commercial and emerging technologies, or those that are commercially available but not widely used in HUD homes. Advanced equipment does not include commercially available equipment that is already used in new manufactured homes sold in California.
* **For Group 2:** The CEC grant will only pay for the incremental cost difference between a home built to the 2022 Title 24 Building Efficiency Standards and an advanced modular home as described in Section 1.C. Advanced equipment can include pre-commercial and emerging technologies, or those that are commercially available but not widely used in modular homes. Advanced equipment does not include commercially available equipment that is already used in homes to meet the 2022 Title 24 Building Efficiency Standards.”

Q3. If we introduce the latest Mono Crystalline or Cadmium Telluride BIPV (building integrated photovoltaic) material to modular homes, we may face the barriers on the permit complexity or multistage inspections, and we don't know if there is an appropriate building code so far regarding BIPV adoption. This will affect our demonstration of pre- commercial technologies; is there any solution or suggestion by CEC on this concern?

**CEC:** The local building department has the final say on the permitting process. Permits are regulated by Part 2 of the Title 24 Building Code, and it is at the enforcement agencies' discretion to exempt a temporary project/installation from requiring a permit. Ideally the proposal would include a strategy for mass adoption of an emerging technology such as using the results of the grant to prove cost-effectiveness and energy performance to inform future changes and updates to the Title 24 Building Efficiency Standards. Since applicants must discuss the disposition of the home at the end of the grant, the project narrative must explain how this will occur for a home that does not meet local building codes or has a conditional building permit. Please see Section I.C.2., Technical Approach, last bullet: Please discuss the disposition of the homes at the end of the grant and how these homes and the project would benefit under-resourced communities.

Q4. If the adoption of the latest technologies involved intellectual property or patent, how will it be addressed?

**CEC:** During the solicitation application process, sending confidential information may cause the application to be disqualified in accordance with Section IV.C of the solicitation manual. If you are selected as an awardee, we will start the agreement development phase as described in Section IV.B.2. As part of agreement development, you will have the opportunity to identify existing intellectual property, patents, etc. During the agreement development, the terms and conditions will be agreed upon by all parties. Please refer to the EPIC grant terms and conditions on Intellectual Properties. For non-University of California and National Labs, the standard terms and conditions for intellectual properties is contained in item 20 ([TERMS AND CONDITIONS (ca.gov).](https://www.energy.ca.gov/sites/default/files/2020-02/EPIC_Standard_Grant_Terms_and_Conditions_ada.pdf)

Q5. A) Regarding the commitment letter on the demonstration site, is the location revocable or adjustable by the applicant, as there may be some different situations including but not limited to CEQA compliance? B) Can the EPIC grant fund support the land acquisition while we decide to demonstrate this modular construction permanently on a reasonable site?

**CEC:**

1. A site commitment must be included with the application as described in Section III.C.12 and will be scored according to Section IV.E, criteria 6. Failure to provide commitment letter(s) for the home sites is grounds for failing the application. Site locations are used to determine whether projects are located in under-resourced communities, an electric IOU service area, and particular climate zones as indicated in Sections I.C. If the site changes at a later date, the CEC may need to re-score the proposal to determine whether the changes would have affected the scoring and resulted in your project no longer being eligible for the grant. All applicants must complete Attachment 8 regarding CEQA compliance. This form must be completed regardless of whether the proposed activities are considered a project under CEQA. Failure to complete the CEQA process in a timely manner after the CEC’s Notice of Proposed Award may result in cancellation of the proposed award and allocation of funding elsewhere. Please refer to Section III.C.10 for more information.
2. Grant funds cannot be used for land acquisition. See response to Q2.

Q6. A) Regarding the Spent in California issue, if we partner with a Modular company registered in Delaware, should they have a supply house in California that can be recognized as Spending in California, which does a supply house mean? B) And if they purchase the components from outside the US, such as a Canadian supplier or Chinese supplier, is it allowed in this solicitation?

**CEC:**

1. As indicated in Section I.L, if the business transaction occurred between the California supply house and you, and you are paying applicable taxes in California for the purchased materials, then those funds would be considered spent in California. As defined in Section I.L:

“‘Spent in California’ means that:

(1) Funds in the ‘Direct Labor’ category and all categories calculated based on direct labor (e.g., fringe benefits, indirect costs and profit) are paid to individuals that pay California state income taxes on wages received for work performed under the agreement. Payments made to out-of-state workers do not count as ‘funds spent in California.’ However, funds spent by out-of-state workers in California (e.g., hotel and food) can count as ‘funds spent in California.’; AND

(2) Business transactions (e.g., material and equipment purchases, leases, and rentals) are entered into with a business located in California.

(3) Total should include any applicable subcontractors.”

B) Refer to the solicitation manual section III.C.9 Budget forms 7): “The budget must NOT identify that EPIC funds will be spent outside of the United States or for out-of-country travel. However, match funds may cover these costs if there are no legal restrictions.”

Q7. A) For the project Group 2, is there any preference from CEC on the home size and the PV energy outcome of each home? Which means, the applicant can test a home in 1,000 square feet with 20kWh energy outcome or 2,000 square feet with 35 kWh outcome. Which will be better according to score criteria? B) And can applicant develop and test multi modular homes in different sizes which require more funding?

**CEC:**

1. There is no preference on home size. The target is the most affordable home, which is typically a single unit. However, the targeted square footage is not specified so that the proposer can make its own judgement on how many kWh are needed and how many square feet to show the improvement over baseline that will result in the most affordable home(s). The baseline will also vary based on how large the proposed home is. This is not limited to homes made in a factory, but could also be 3D printed onsite, etc., so it is intentionally up to the proposal writer to determine these values and state assumptions that indicate cost effectiveness.
2. Assumptions made about the size and number of homes and other factors should be justified in the narrative in the Technical Approach.

Q8. Can we ask further questions after the deadline of Feb 3 but before the submission of Mar 17?

**CEC:** Please refer to Section I.G, which states that questions received after the deadline may be answered at the CEC’s discretion. Non-technical questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted to the Commission Agreement Officer (Brad Worster (brad.worster@energy.ca.gov) at any time prior to 5:00 p.m. of the application deadline date.

Q9. Is the expectation that these will be single-family residences (SFR)? Or can these be multifamily, duplex, etc?

**CEC:** See response to Q1.

Q10. A) What is the baseline comparison for the difference in cost for which the grant supports a delta? B) Is it an estimate of the same project without the energy efficiency (and on what basis would this be calculated and/or demonstrated/documented) or comparable to other products on the market? C) If we propose an 800 square foot unit, for example, does the comparative non-all-electric “baseline” model need to be exactly the same size?

**CEC:**

1. The baseline will differ based on the manufacturer, the size of the home, and the climate zone.
2. Yes, it is an estimate of the same project without the advanced upgrades, able to meet either HUD standards for Group 1 or the 2022 Title 24 Building Efficiency Standards for Group 2.
3. The baseline should be an identically sized home.

Q11. Can there be non-dwelling units included? For example, in a small demonstration development, could there be freestanding dwelling units plus a commercial or community-use structure built in the same manner?

**CEC:** No, the buildings must be residential dwelling units capable of being legally occupied during or after project completion.

Q12. Is there a size requirement for the housing produced such as minimum or maximum square feet, or for the number of bedrooms?

**CEC:** No. Please refer to response to Q7.

Q13. The documents do not define prefab/modular builder or manufacturer. Are there requirements such as a contractor’s license or other qualifications?

**CEC:** All entities must be registered and in good standing with the California Secretary of State. All applicable laws apply to the construction and installation of homes in accordance with local permitting rules.

Q14. Does it require having the California Department of Housing & Community Development (HCD) factory-built housing certification; if so, can we get it later (and can the review and certification process be part of the grant costs?)

**CEC:** Yes, it requires the HCD factory-built housing certification, but the cost of certification cannot be covered with grant funds in accordance with the scope of work attachment 5 subtask 1.8. According to HCD, production must be design-approved, and the manufacturer must have an active service contract and approved quality control program.

Q15. Is flat pack acceptable (panelized), if it meets California offsite manufacturing regulations? It appears that the second category includes this, not just volumetric modular fabrication/construction.

**CEC:** Flat pack would be acceptable for Group 2 if it meets all applicable regulations as stated, including local building department requirements.

Q16. For matching funds, should this include the cost of land and overall construction or just the difference between a “regular” and “energy efficient” option?

**CEC:** Section I.K indicates that match funds **do not** include cost or value of the project work site, or the cost or value of structures or other improvements affixed to the project work site permanently or for an indefinite period. As the CEC grant will pay for the incremental cost difference between a standard home versus the zero-carbon home as indicated in Section I.C, match funds could be used to pay for the non-grant portion of the home. However, justification for how the baseline cost is determined must be described in the project narrative in the Technical Merit section.

Q17. How many units are needed for demonstration? (e.g., 1? 4? 200?).

**CEC:** It is up to applicants to determine the number of homes based on the grant funds requested. In determining the number of units, applicants must articulate how the number of units they selected will result in the biggest impacts and benefits to under-resourced communities, including those in fire prone areas.

Q18. A) What requirements are there for post award monitoring/sensors? How is this addressed with the timeline? B) Is the idea to fund the installation, but not necessarily ongoing data collection/analysis after the grant period?

**CEC:**

1. Section II.B describes the measurement verification requirements. The Project Narrative (Attachment 3) must include a Measurement and Verification (M&V) Plan that describes how actual project benefits will be measured and quantified, such as by pre- and post-project energy use (kilowatt hours, kilowatts); water use (million gallons); and cost savings for energy, water, and other benefits. The activities proposed in the M&V Plan must be included in the “Technical Tasks” section of the Scope of Work Template (Attachment 5) and in the Schedule (Attachment 6). You will need to determine when to do the actual on-site M&V within the term of the grant.

The “pre” project energy use may be obtained through modeling of the baseline building or actual on-site M&V on a similar existing building. However, post M&V must be done at the site.

1. The cost of M&V equipment, such as sensors and data loggers, or hiring an M&V subcontractor, can be funded by the grant. The completion of the post M&V must be completed within the grant term.

Q19. Is the fabrication of units considered “equipment” or “materials”?

**CEC:** The applicant should itemize the advanced equipment, but the base aspects of the home that are not being upgraded do not need to be individually itemized. Refer to Attachment 7, Budget, for definitions of what is considered equipment or materials. The Equipment work sheet indicates that: “Equipment is defined as items having a per unit cost of at least $5,000 and a useful life of at least 1 year. Equipment means any products, objects, machinery, apparatus, implements, or tools purchased, used, or constructed within the Project, including those products, objects, machinery, apparatus, implements or tools from which over thirty percent (30%) of the equipment is composed of Materials purchased for the Project. Items not meeting this definition should be included on the Materials & Miscellaneous worksheet.”

Q20. A) For funds spent in California — is there a minimum requirement for the percentage overall? B) Could you clarify if all CEC funds must be spent in California?

**CEC:**

1. No. Your project will receive points for Funds Spent in California as indicated in scoring criterion 6 (Section IV.F.). Note that a total of 10 points is awarded in this category and that applicants must spend at least 60% of EPIC funds in California to receive any points.
2. No. The EPIC funds do not all need to be spent in California. Please refer to Section II.C. (Budget Forms), which states that the budget must not identify that EPIC funds will be spent outside of the United States or for out-of-country travel.

Q21. Do “match funds” include the price of the property (cash match)?

**CEC:** See response to Q16.

Q22. Are developer fees/costs a covered expense? Can they be considered as “match funds” (deferred or not, as “in-kind”)?

**CEC:** No, As indicated in Section I.C, the CEC grant will pay for the incremental cost difference between a standard home versus the zero-carbon home.

Q23. May the developer entity (an LLC) apply with the vested ownership in the property held by another project-specific LLC for which the developer is an LP?

**CEC:** Yes, if this arrangement meets the requirements of the solicitation and explains in the technical approach section the following:

* The property owner’s plans for the site, including a letter from the property owner indicating that the site would not be sold nor otherwise made unavailable for this project during the term of the agreement.
* How such an arrangement would affect the disposition of the homes at the end of the grant.
* How this arrangement would benefit under-resourced communities.

Q24. Are we correct that the project location must be in either a “Disadvantaged Community” or a “Low-income community,” but need not be both?

**CEC:** Correct, the project location can be in one of these types of communities. Section I.C indicates that all homes must be located in under-resourced communities. Under-resourced communities can include disadvantaged/ low-income communities and/or Tribes, as defined in Sections I.B. and II.A.5. in the solicitation manual.

Q25. We would also like to confirm that this is only for the final project site where the dwelling units would be installed – not for the location of the applicant, consultants, fabrication facilities, etc.

**CEC:** If this is referring to Q24, then the dwelling units must be in a low income, tribal, or disadvantaged community as described in Section I.C. The California manufacturing facility does not need to be in a low income/disadvantaged community and/or Tribal site. However, If the grant funds are used to improve a manufacturing process and reduce greenhouse gas (GHG) emissions, it should be noted whether the facility is in a disadvantaged/low-income community and/or Tribal community. This could result in additional points for scoring criterion 8, if justification is provided on how improvements to the manufacturing process or the location of the manufacturing facility will benefit disadvantaged/low-Income communities.

Q26. Is it the CEC’s desire to award one large demonstration project for each category or to fund multiple smaller projects?

**CEC:** The CEC has no preference. Applicants will need to determine the number of homes that would best meet the requirements of the solicitation and the evaluation criteria in Section IV.F. Please also refer to the responses to Q17.

Q27. In the section on “Community-Based Organizations and/or Tribal Engagement,” items #1 and 2 appear to be strikethrough. Could you clarify if these are applicable?

**CEC:** The on-line version from the CEC website has no strikethrough for Section II.B, item 2. This section states the following:

1. “Community Based Organizations and/or Tribal Engagement

“In TD&D solicitations with set aside funding for proposed projects located in and benefiting low-income, disadvantaged communities within IOU service territories, the project must allocate appropriate funding for CBO and/or tribal engagement for relevant tasks under the scope of work.

“The CBO should meet, and will be evaluated on the following criteria for this solicitation:

1. Has an office in the region (e.g., air basin or county) and meets the demographic profile of the communities they serve.
2. Has deployed projects and/or outreach efforts within the region (e.g., air basin or county) of the proposed disadvantaged or low-income community.
3. Have official mission and vision statements that expressly identifies serving disadvantaged and/or low-income communities.
4. Currently employs staff member(s) who specialized in and are dedicated to – diversity, or equity, or inclusion, or is a 501(c)(3) non-profit.

“For projects located in and benefitting Tribes, the Tribe must be included on the project team and within the project budget.”

Community-based organizations and/or Tribal Engagement are applicable to this solicitation. Please refer to Section IV.F., scoring criterion 8, for documenting benefits to these communities.

Q28. Confirming that, like Task 1 of Attachment #5 Scope of Work, the two last tasks (“Evaluation of Project Benefits” and “Technology/Knowledge Transfer Activities”) are effectively written for the Applicant?

**CEC:** Correct.

Q29. Would CEC consider extending the proposal due date by 4 weeks? This is a large project requiring significant partnership development and would benefit from an extension.

**CEC:** Any extensions to the deadline will be posted in an addendum.

Q30. Do we need to have past performance with the government to be eligible for this contract?

**CEC:** No. You should describe any relevant experience in the Project Narrative (Attachment 3) under Team Qualifications, Capabilities and Resources, item e, and provide examples of past experience in Attachment 9, References and Work Products.

Q31. What are the neighborhood details that the homes will be installed in?

**CEC:** The home sites must meet the requirements in the solicitation manual, including but not limited to being located in under-resourced communities and in an electric IOU service area. Other home site requirements are described in Section I.C. for each group. The site could be private load or a trailer park. All other neighborhood details will be determined by the applicant.

Q32. Are you aware of any established prime contractor partnering opportunities?

**CEC:** No. You could sign up for Empower Innovation ([Empower Innovation](https://www.empowerinnovation.net/en/page/resources-and-tools-en)) to indicate your interest in partnering opportunities.

Q33. What needs to be demonstrated (deliverables) upon completion of the project?

**CEC:** It is up to the applicant to propose the specific tasks and deliverables that will be needed to complete the project while meeting the goals of the solicitation. Refer to Attachment 5, Scope of Work template, for information on the boilerplate, required administrative and technical tasks for completing your project, along with specific deliverables, such as reports, plans, etc. Your Scope of Work should be consistent with the work described in your Project Narrative (Attachment 3).

Q34. Is there an opportunity for geothermal heating and cooling?

**CEC:** Possibly, if it meets the goals of the solicitation as indicated in Section I.C. This includes having a 10-year cost of ownership that is less than or equal to that of the baseline HUD (Group 1) or 2022 Title 24 (Group 2) compliant building. Site preparation costs for geothermal heating and cooling systems will be part of the installation cost of a prefabricated home.

Q35. I just attended the Pre-Application Workshop for the Pre-Fab Zero Carbon Homes EPIC Program, and I am wondering if any previous applications for EPIC grants are available to access. Thank you for your help!

**CEC:** Yes, previous applications for EPIC grant can be requested via Public Record Act request for any awarded solicitation. You can send an email to the Agreement Officer listed as the solicitation contact on the individual solicitation page, and include the solicitation number, name, and a request to view copies of the applications.

# **Technical**

**Group 1: Develop, Test and Demonstrate Innovative Manufactured Homes**

**Group 2: Develop, Test and Demonstrate Innovative Modular Homes**

Q36. Under Group 2, a technical merit criterion is “The baseline cost of an affordable 2022 Title-24 modular home.” How does CEC define a 2022 Title-24 home, since it is unlikely that such homes actually exist? Will it be defined based on estimates of what it might cost to build a 2022 Title-24 home?

**CEC:** Yes, applicants must define the baseline home and use modeling software (e.g., CBECC-Res) to identify the energy use, cost, and performance. The manufacturer of the home shall estimate the production cost.

Q37. We're considering donating the prefabricated home at the end of the project. A) Can CEC grants be used to purchase materials and equipment for producing the houses/panels (i.e., the materials and equipment needed for construction, such as lumber, roofing, and appliances)? B) Also, can CEC grants be used to cover labor costs incurred for general contractor and/or subcontractors' time?

**CEC:**

1. As indicated in Section I.C, the CEC grant will pay for the incremental cost difference between a standard home versus the zero-carbon home. The CEC grant cannot pay for the purchase of materials and equipment that are already part of a standard home. Below are some examples:
* **For Group 1:** The CEC grant will only pay for the incremental cost difference between standard HUD practice and advanced manufactured home. Features of the advanced manufactured home can include pre-commercial and emerging technologies, or those that are commercially available but not widely used in HUD homes. Advanced equipment does not include commercially available equipment that is already used in new manufactured homes sold in California.
* **For Group 2:** The CEC grant will only pay for the incremental cost difference between standard T24 practice and advanced modular home. Advanced equipment can include pre-commercial and emerging technologies, or those that are commercially available but not widely used in modular homes. Advanced equipment does not include commercially available equipment that is already used to meet the 2022 Title 24 building efficiency standards.
1. The CEC grant be used to cover labor costs associated with installing the advanced features to make the home zero-carbon or near-zero-carbon. General contractor/subcontractor time not related to the advanced features cannot be included in the grant but could be included as match costs.

Q38. A) Can the CEC provide examples for what type of documentation and data are required to demonstrate lower costs for each of the following 3 categories: 1) Manufacturing cost, 2) Construction Cost, 3) Operating and Maintenance cost? E.g., B) Does modeling data suffice for some of these (e.g., #1, #3)? C) Is manufacturing data required? D) Does there need to be formal cost accounting with receipts and/or affidavits for construction costs?

**CEC:**

1. This question focuses on the manufacturing advancements to reduce construction costs and reduce GHG emissions as described in Section I.C.
	1. Manufacturing and construction cost: provide cost estimates of current practices. This can be for a particular task or assembly and how your proposed upgrade could reduce labor, material, equipment, or other costs. You will need to explain how this reduction would impact the overall cost of the manufactured/modular home. Provide all assumptions used in your pre-and post-retrofit estimates of savings.
	2. Operating and maintenance cost: provide cost estimates of current operating and maintenance cost associated with your current practice. This can include labor, energy, and other costs. Explain how your proposed upgrade would reduce this cost and provide all assumptions used in developing the estimates of savings.
2. Modeling would suffice for the baseline. However, for the post retrofit, you will need to provide actual savings, and this should be delineated in the M&V plan as described in Section II.B. Note also that baseline conditions and target performance must be indicated in Attachment 11, Project Performance Metrics.
3. Yes. Manufacturing data is required.
4. No. Estimates with assumptions are fine for the proposal.

Q39. If an application were submitted for a demonstration site outside of Climate Zones 10-14, but with characteristics that address the key criteria and spirit of the grant, would that affect scoring of the application?

**CEC:** Section I.C indicates that if the homes are not located in climate zones 10,11,12,13 or 14, you are to provide a justification in the Technical Approach section of the Project Narrative (Attachment 3). The justification for other climate zones must indicate why they have potential for uptake by under-resourced communities and will meet the requirements of Group 1 or 2, such as having a 10-year cost of ownership that is less than or equal to that of the baseline building. Homes located in these other climate zones that have less energy consumption will require more aggressive efficiency to justify the cost of the advancements to get to zero carbon.

Q40. Would CEC consider (and how would you score) applications that don't have site control but do have LOIs (letter of intent) or something similar from a city to work with us on land.

**CEC:** A site commitment letter is required as specified in Section III.C.12 and Attachment 10. This letter must be submitted with the application. Applications without site commitment letters will be disqualified.

Q41. Can the CEC describe the basis for a ten-year total cost of ownership comparison vs. the baseline case compared to considering a longer duration time period for this comparison? (Solar PV benefits would accrue well after 10 years of ownership for example).

**CEC:** These homes are the most affordable unsubsidized homes available. A purchaser of this home may move out after ten years. Some efficiency measures have payback greater than 10 years and increasing the first cost does not benefit the homeowner. Some energy storage technologies available now have a ten-year warranty. Generally, most efficiency projects seek a payback of 5-7 years or better. With a 10-year target, the proposals can be accurately compared and a balance of measures beneficial to the homeowner can be installed.

**Q42. I realize this is after the Feb 3 deadline, but I would appreciate it if I can get clarification regarding the definition of Disadvantaged Community, as listed in the Solicitation Manual. Would any federally recognized tribal land be counted as a disadvantaged community, regardless of its CalEnviroScreen score?**

**These are communities that represent the 25% highest scoring census tracts in CalEnviroScreen 4.0, census tracts previously identified in the top 25% in CalEnviroScreen 3.0, census tracts with high amounts of pollution and low populations, and federally recognized tribal areas as identified by the Census in the 2021 American Indian Areas Related National Geodatabase.**

**CEC: All federally recognized tribal areas as identified by the Census in the 2021 American Indian Areas Related National Geodatabase are considered Disadvantaged Communities in accordance with** [**https://oehha.ca.gov/calenviroscreen/sb535**](https://oehha.ca.gov/calenviroscreen/sb535)

**Federally recognized tribes can be found here:** [**https://tribalaffairs.ca.gov/tribal-information/**](https://tribalaffairs.ca.gov/tribal-information/)

**For other tribes and additional information including the CEC Tribal Liaison contact information:** [**https://www.energy.ca.gov/programs-and-topics/programs/tribal-program**](https://www.energy.ca.gov/programs-and-topics/programs/tribal-program)

**Q43. Can you give me more information on post-grant certification as per FAQ: Q14.**

**Does it require having the California Department of Housing & Community Development (HCD) factory-built housing certification? If so, can we get it later (and can the review and certification process be part of the grant costs?) - the answer is unclear.**

**We just want to make sure that we do not need to have HCD certification at the time of RFP grant application**

**CEC:** **The HCD certification is required after the design is finalized and before it is built. It is not needed during the application phase. As stated in Q14, the cost of certification cannot be covered with grant funds.**

**Q44. I am hoping you will be able to provide some clarity regarding the Advanced Pre-Fabricated Zero Carbon Homes Grant. I'm clear that our innovation defines the meaning of the circular economy and allows the Tribes to gain affordable access to the industry - without the expense of creating a large-scale manufacturing plant. The grant states "This group funds advancements in improving manufacturing capabilities at the factory to improve efficiency and reduce cost of construction and using the funds to upgrade efficiencies..". Is it fair to say that creating an onsite factory that is conducive to the tribe's way of life is in alignment with the intent of this grant?**

**CEC:** **Creating a new factory on tribal lands is possible however the grant funds must be used to fund manufacturing process advancements that will reduce the construction costs and greenhouse gas emissions of the homes. The funds cannot be used to pay for constructing a new factory and installing code compliant requirements, such as lighting, HVAC, envelope, plumbing, electrical, etc. As the amount of funds available for this grant is limited, it is unlikely that there would be sufficient grant funds to create a new factory while also meeting the requirements of the solicitation. Thus, the focus should be on modifying an existing factory so that more cost efficient, zero carbon homes can be produced. The factory must meet all local air pollution requirements.**

**Q45. I have a question regarding paying for the property and actual cost of the homes. A) Can it be paid for with this grant or not? The difference between the home without the upgrades and with is not going to be that much, but the hard part is going to be purchasing the land and paying for either the modular homes or manufactured ones. B) If it can't be paid for with this, do you have any suggestions or funding ideas? C) Also, does the land have to be in the areas on that map or can it just be in a low income area?**

**CEC:**

1. **No, the grant does not fund the purchasing of property. Refer to the responses to Q2, Q5, Q16 and Q21.**
2. **No, we cannot advise on this. However, responses to Q23, Q27 and Q32 could be helpful.**
3. **As indicated in the response to Q24, all homes resulting from this solicitation must be in an under resourced community. Under-resourced communities can include disadvantaged/ low-income communities and/or Tribes, as defined in Sections I.B. and II.A.5. in the solicitation manual. The project location can be in one of these types of communities.**

**Section I.C. of the solicitation manual indicates that if the homes are not located in climate zones 10,11,12,13 or 14, you are to provide a justification in the Technical Approach section of the Project Narrative (Attachment 3).** **This is described in the response to Q39.**

**Q46. Is there technical assistance available?**

**CEC: No**

**Q47. Does the manufacturer of the energy efficient home need to be CB certified?**

**CEC: If CB refers to certification by the California Department of Housing & Community Development (HCD), then this certification is not needed at the time of application. Please refer to the responses to Q14 and Q43.**