



DATE: March 25, 2026

TO: Waste Management Authority/Energy Council

FROM: Karen Kho, Principal Program Manager

SUBJECT: Factory-Built Housing Funding Opportunity

SUMMARY

Innovation in the construction sector is one of StopWaste’s three core goals, focused on transforming how buildings are designed, built, and operate to reduce waste, lower emissions, and improve resource efficiency and human health. To advance that work, StopWaste is exploring new grant funding and partnerships to expand the use of factory-built housing in the region, including modular and prefabricated construction methods that have strong potential to reduce construction waste, lower embodied carbon, and improve project delivery timelines.

The California Strategic Growth Council’s Factory-Built Housing Notice of Funding Availability (NOFA) provides planning grant funding for these efforts. At the March 25 WMA/Energy Council Board meeting, staff will present an overview of the NOFA and partnerships in development to pursue this funding. The presentation will also highlight how this effort supports the Agency’s work to advance circular building materials, reduce construction waste, and promote resource-efficient building practices.

DISCUSSION

In 2021 the U.S. Economic Development Administration (EDA) awarded StopWaste a \$500,000 Build Back Better Regional Challenge grant for the formation of the Bay Area Construction Innovation Cluster (BACIC). As a consortium of government, academic and non-profit organizations, BACIC’s aim is to catalyze the adoption of industrialized construction methods—which apply manufacturing principles to the building process. These methods support waste prevention and resource efficiency by improving precision in design, optimizing material inputs and minimizing waste at construction job sites. StopWaste’s role as the lead institution for BACIC has enabled us to form partnerships and initiate pilots that align with the NOFA’s intent.

The Factory-Built Housing NOFA includes two grant types designed to accelerate the deployment of factory-built housing: Catalyst Grants support early-stage efforts to build regional capacity for production and scaling of factory-built housing and larger Planning Grants support initiatives that are ready to scale at the regional level. StopWaste is partnering on a Planning Grant proposal led by Alameda County Housing and Community Development that is centered around their Scaling Housing Infill Funding Toolkit (SHIFT) pilot program. SHIFT offers streamlined project delivery and innovative financing for “middle housing” (2-10 units). The County has already selected an architectural consultant with experience in factory-built housing to run a pilot program in 2026, and a Planning Grant would enable this model to scale regionally. Staff are also exploring a Catalyst Grant proposal focused on sustainable building material supply chains for factory-built housing.

RECOMMENDATION

This item is for information only.



Construction Innovation Update & Factory-Built Housing Funding Opportunity

March 25, 2026



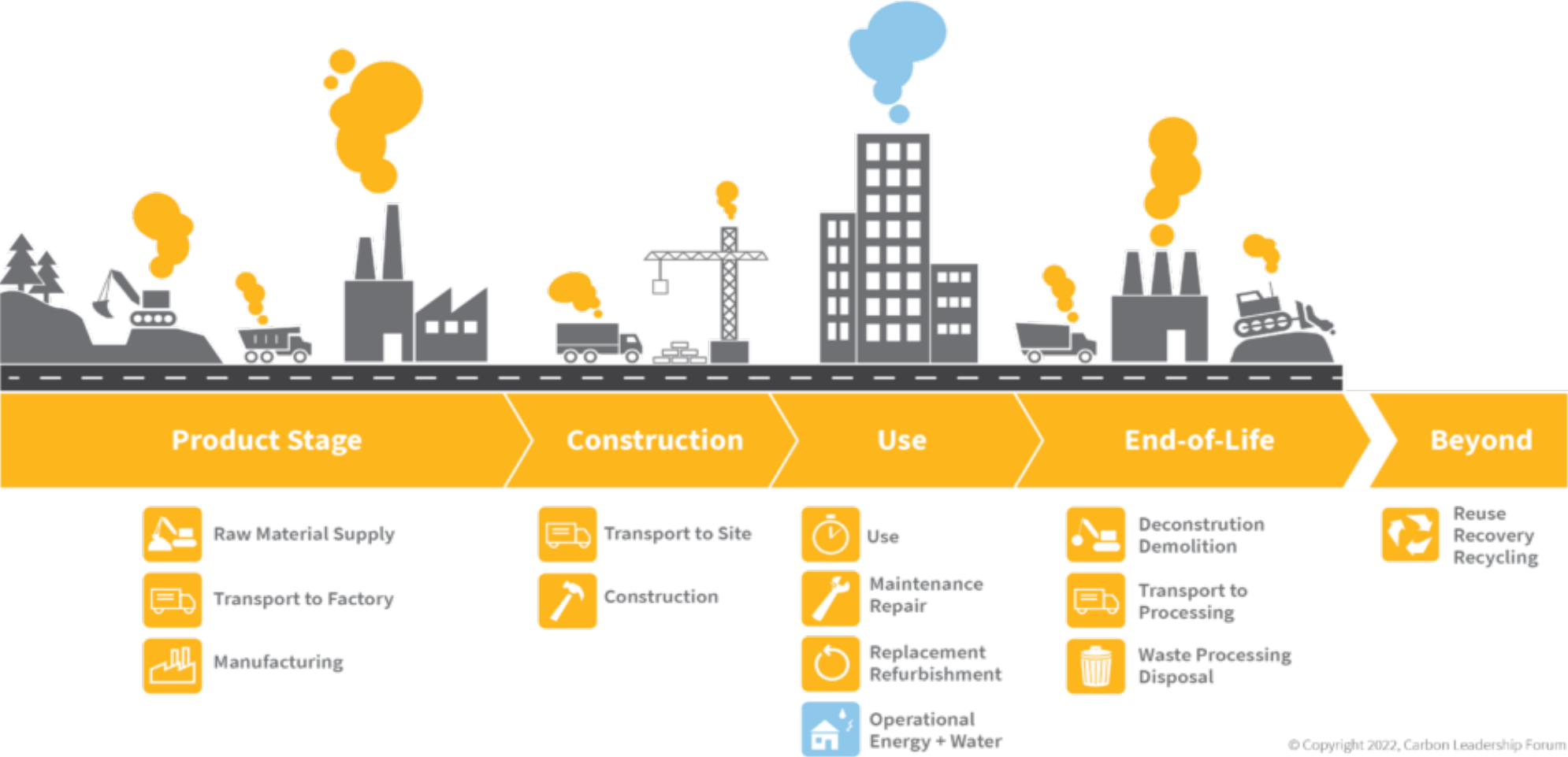
Goal: A Bay Area construction sector that advances material and resource efficiency in the built environment to prevent waste, fight climate change, and improve the health of our communities

Focus Areas:

- Market Development for Circular Building Materials
- Advancing Energy Efficiency and Clean Energy through BayREN



Building Lifecycle



Circular Building Materials



Harvesting Waste Streams

- Agricultural and forestry byproducts
- Municipal recycling streams
- Urban deconstruction and reuse



Biobased Materials

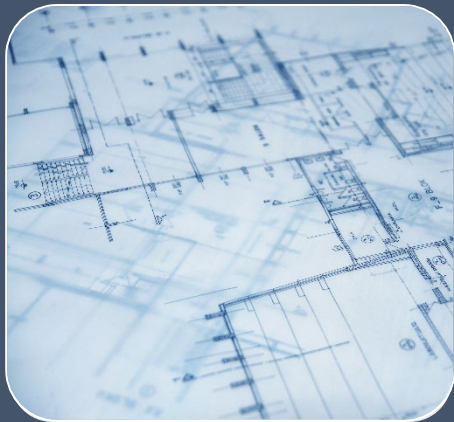
- Renewable feedstocks with carbon-storing potential
- Avoids toxic substances that are hard to reuse and recycle, contaminate recycling streams, and often end up as hazardous waste

Industrialized Construction



Waste prevention:

- Jobsite construction waste can be cut by 70-90%
- Residual materials are easier to remanufacture
- Modular buildings can be disassembled and reassembled



Material efficiency:

- Minimize construction waste through better design
- Precast components can be produced in a more controlled environment with higher precision
- Less material used overall (e.g. 15-23% less concrete)

2022 Build Back Better Regional Challenge Finalist

Bay Area
Construction
Innovation
Cluster



Follow-on Initiatives

Construction Innovation Cluster Partners

- UCB Turner Center: Builders' Lab business incubator
- LBNL: UPGRADE Modular Home Project
- Build It Green: Small Development Incubator

StopWaste

- Targeted support for local producers
- Supply chain research on reclaimed and sustainable wood sourcing and processing
- Connecting manufacturers and researchers



Factory-Built Housing (FBH) Regional Pilot Program NOFA

Due May 5, 2026

Catalyst Grant: Up to \$500,000

- Advance early-stage efforts to build regional capability for production and deployment of FBH
- Funds research, market studies, convenings, learning, plans

Planning Grant: Up to \$3 million

- Support initiatives that are ready to scale at regional level
- Funds policy, streamlining processes, in-depth market analysis, pipeline planning, governance, financing tools



Planning Grant Proposal: Middle Housing Accelerator



Proposal Concepts & StopWaste Role

Planning Grant: Led by Housing Accelerator Fund

- Bay Area scope with streamlined project delivery and innovative financing (Alameda, SF and Solano counties)
- StopWaste supporting regional innovation ecosystem:
 - Engagement of FBH manufacturers
 - Codes & Standards alignment

Catalyst Grant: Exploratory conversations

- Multi-regional scope to connect rural waste streams to urban construction markets
- StopWaste could lead application and convene stakeholders involved in regional material supply chains