

MUD Electrification Grant Program FAQs

What is the goal of this program?

The goal of this program is to provide incentives to Multiple-unit Dwelling (MUD) housing developers to build all-electric housing projects as a critical opportunity to scale market penetration and build brand awareness for electrified MUDs.

Who can Apply?

Housing developers building projects within MBCP's service area, which includes both affordable housing developers and market-rate developers.

What is MBCP's service area?

MBCP currently serves the Counties of Monterey, San Benito and Santa Cruz, and the cities of Capitola, Carmel, Gonzales, Greenfield, Hollister, Marina, Monterey, Morro Bay, Pacific Grove, Salinas, San Juan Bautista, San Luis Obispo, Sand City, Santa Cruz, Scotts Valley, Seaside, Soledad and Watsonville.

For more information on upcoming enrollment for Central Coast communities, please see our website: <https://www.mbcommunitypower.org/unify-central-coast/>

My organization is not based in MBCP area, can I apply?

Yes, you can apply if the development will be within MBCP service area. Final eligibility will be determined once the application has been reviewed.

My organization is planning to build a housing development in a jurisdiction set to enroll in MBCP electricity service in 2021, can I apply?

As part of the approved Fiscal Year 2019-2020 MBCP Energy Programs budget, the Program will only apply to developments located within MBCP's existing service area.

MBCP will evaluate future Program funding for developers planning housing developments in communities enrolling in MBCP electricity service in 2021. This includes the Cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Guadalupe, Grover Beach, Paso Robles, Pismo Beach, Santa Maria, Solvang and the County of Santa Barbara.

Is my project eligible?

Any housing developer planning affordable housing OR market rate Multi-Unit Dwelling (MUD) housing developments within Monterey, Santa Cruz and San Benito Counties and the cities of San Luis Obispo and Morro Bay are eligible to apply for Program Funding.

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An “MUD” development is defined as a project where multiple housing units are developed within one building or multiple buildings within a complex or community. Common types of MUDs include duplexes, townhomes, and apartments. MUD Projects must be built to all-electric standards for all utility needs including but not limited to water heating, space heating, and cooking appliances. Developer must build a minimum of 2 units under one development. MUD building/s must enroll in MBCP electrical service once built.

How much funding is available?

\$1.2M of total funding is available. Grant awards available to each applicant are based on the type of developer and the number of units that are built all-electric. Grant will be distributed as follows:

- Affordable Housing units: \$2,500 per unit
- Market Rate units: \$1,750 per unit

For the first 90 days following Program launch, Program funds will be reserved accordingly:

- 70% of funds (\$840,000) allocated for Affordable Housing
- 30% of funds (\$360,000) allocated for Market Rate Housing

After 90 days subsequent to Program launch:

- If applicable, waitlisted applicants will be given access to remaining funds in the order in which they were received.
- All remaining funds will be applied to eligible applicants on a first come first-served regardless of developer type.

How are funds awarded?

The application will be open until funds are fully reserved. Awards will be distributed to eligible applications on first come first served basis within the funding allocations specified above. Applications received after reservation limits have been met will be added to a waitlist.

What is the minimum and maximum amount of funding per project?

There is no minimum grant award, however, in order to classify as a MUD development, the project must include at least two units; therefore, an applicant may apply for a minimum of two units. The maximum amount of funding for a single project is \$240,000.

What do I need to apply?

To apply, applicants must have the following information:

- a. Project name, location, number of units, type of development
- b. Construction schedule

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- c. Relevant documents showing intent to build all-electric MUDs (see below)

At the time of application, developer must provide at least one document indicating intent to build an all-electric project. Acceptable documents include:

- Architect of Record's plans with confirmation letter from the architect describing how the building meets the all-electric requirement and citing relevant pages.
- Confirmation letter from the electrical engineer describing how the building design plans meets the all-electric requirement
- Construction permit, from the city/county, showing that the building will be all-electric

What happens after I submit my application?

MBCP will review your application for completeness and eligibility and respond back with the status of your application within 5 business days. If your application is approved, MBCP staff will send a Letter of Intent (LOI) to your organization. Funds will be reserved in a MBCP account for a maximum of 3.5 years after the date of issuance of the LOI. Applicants may submit one letter requesting an extension of reserved grant funds, for up to one year. The letter must provide a description of a good faith efforts towards completing the approved project.

When do I receive my funds?

Once the approved project is complete, the developer will receive funds (check payable to developer) upon meeting the following conditions:

1. MBCP staff confirms the building/s are enrolled in MBCP electricity service.
2. Developer submits the following documents indicating that the development was completed as an all-electric building.
 - Certificate of Occupancy -OR- Notice of Completion
 - AND-
 - Inspection report showing that all electrical work has been completed and no gas lines have been installed

How do I know if my development has "affordable housing" units that qualify for grant incentives of \$2,500/unit?

MBCP does not define affordable housing. Each planning authority or defines affordable housing and MBCP will abide by those determinations. A good place to start would be to look at your County's housing element or contact the local planning agency.

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