
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1070 (Ward) - Residential developments: building standards: review

Version: June 11, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: HOUSING 10 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 1070 would require the Department of Housing and Community Development (HCD) to initiate a study evaluating conditions under which residential developments of three to 10 units may be designed and built under the California Residential Code (CRC), and to provide a report of its findings to the Legislature by December 31, 2028, as specified. The bill would also require HCD to perform a review of residential construction cost pressures as a result of new or existing building standards requirements and report its findings in its annual report, as specified.

Fiscal Impact:

- HCD estimates General Fund costs of approximately \$6.2 million in 2027-28 and \$199,000 annually ongoing thereafter as follows:
 - One-time contracting costs of approximately \$6 million in 2027-28 for third-party expert consultation to conduct the study and comprehensive analysis to assess whether and under what conditions residential developments of 3-10 units may be designed and constructed under the CRC, perform the residential construction cost pressure analysis, and prepare the required reports. See Staff Comments.
 - Ongoing costs of \$199,000 for 1.0 PY of staff to conduct and manage the contracts for the study and cost pressure report, assess building standards impacting residential occupancies to identify overlap and conflict, and evaluate the study findings. To the extent the study and report recommend amendments to the building standards, HCD staff would research, develop, and propose revisions and clarifications to the Building Standards Code for adoption by the Building Standards Commission (CBSC).
- The Division of the State Architect estimates costs of approximately \$265,000 annually for two years to participate in the study and make recommendations for specific to building standards under its jurisdiction. (Disability Access Fund and/or Public School Planning, Design, and Construction Review Revolving Fund)
- Minor and absorbable costs for the CBSC to participate in the study and to consider the proposed revisions to the Building Standards Code for adoption as part of next triennial update. (Building Standards Administration Revolving Fund)

Background: Existing law, the California Building Standards Law, authorizes the CBSC to approve and adopt building standards through a triennial rulemaking process to revise and update the California Building Standards Code. There are approximately twenty state agencies that develop building standards for submittal to the CBSC for review, approval, and adoption. HCD is responsible for proposing building standards to

the BSC for residential buildings including, hotels, motels, lodging houses, apartment houses, dwellings, buildings and structures. In the absence of a designated state agency, the CBSC is required to adopt specific building standards, as prescribed. Building standards take effect 180 days after they are published, unless a different date is specified. The most recent update to the California Building Standards Code, the 2025 Triennial Edition, is in effect from January 1, 2026 until December 31, 2028.

The California Building Standards Code includes various sections, including an Administrative Code, Residential Code, Building Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Fire Code, and Green Building Standards Code, among others. The California Residential Code governs construction of one- and two-family residential dwellings and townhouses of three stories or less, while the California Building Code establishes requirements for the general building design and construction requirements for all other buildings, including medium and high density housing. New building standards being proposed by various code entities to the CBSC must be accompanied by an analysis that justifies approval based on specified criteria, including that the standard is not duplicative of other standards, is not unreasonable, arbitrary, unfair, or capricious, and the cost to the public is reasonable, based on overall benefits derived from the standard. While existing law requires the proposing entity to analyze the cost to the public of individual building code modifications, there are not current requirements for a review of the accumulation of those many changes at a holistic level to form a reasonable estimate of the cumulative cost impacts of adopting additional building standards.

Proposed Law: AB 1070 would require HCD to contract with external experts or an independent third-party to conduct a study evaluating the conditions under which residential developments of 3-10 units may be designed and constructed under the requirements of the CRC. HCD and any external experts may consult with specified relevant stakeholders in conducting the study, and must complete the study by June 30, 2028, include the study in its annual report by December 31, 2028, and submit it to the CBSC for review. The bill would require the study to consist of a comprehensive analysis of the opportunities, constraints, technical considerations, and recommendations relevant to increasing the threshold under which residential developments of 3-10 units may be designed and constructed under the Residential Code while maintaining health and safety standards without materially reducing development feasibility.

The study must include an analysis of all of the following:

- The conditions under which residential developments of 3-10 units may be designed and constructed under the CRC while achieving life safety outcomes equal to or superior to otherwise applicable requirements of the Building Code for residential developments of similar characteristics, as specified.
- The building types, site conditions, construction types, height limits, floor area limits, unit count limits, egress conditions, fire and life safety systems, and other objective criteria under which residential developments of 3-10 units may be designed and constructed under the CRC.
- Analysis of fire loss history in jurisdictions that have adopted or studied similar provisions; review of available National Fire Protection Association fire loss and fire protection system performance data, together with other available system reliability

data; and consultation with fire service personnel regarding fire suppression and rescue techniques in the evaluated residential developments, as specified.

- The extent to which life safety outcomes from residential developments evaluated pursuant to this section compare both to smaller one-family and two-family dwellings and to larger multifamily residential buildings subject to otherwise applicable provisions of the Building Code.
- The feasibility implications of allowing residential developments of 3-10 units to be designed and constructed under the CRC, including effects on constructability, code compliance, permitting, inspection, project delivery, and the practical ability to build small-scale multifamily housing.
- Cost implications of allowing residential developments of 3-10 units to be designed and constructed under the CRC, including cost-saving opportunities, tradeoffs, alternative compliance approaches, and other means of reducing unnecessary construction costs while maintaining health and safety.
- The interaction of any proposed CRC pathway with the California Electrical Code, the California Mechanical Code, the California Plumbing Code, the California Energy Code, and other applicable parts of the Building Code.
- A comparison of currently adopted California building standards with alternative code approaches used or studied in other jurisdictions, including other states, for small-scale multifamily buildings.
- Any code provisions, limitations, safeguards, mitigations, inspection or maintenance requirements, or alternative compliance measures that may be necessary to maintain health and safety while allowing residential developments of 3-10 units to be designed and constructed under the CRC.
- Any administrative, permitting, inspection, or enforcement considerations relevant to the safe and feasible implementation of a CRC pathway for residential development of 3-10 units.
- Any other subjects HCD identifies through the course of preparing the study that would contribute to determining how these residential developments may be safely and feasibly designed and constructed under the CRC.

The study must also include recommendations for all of the following:

- Specific amendments to state building standards that would allow residential developments of 3-10 units to be designed and constructed under the CRC.
- Any objective limitations, safeguards, or alternative compliance measures necessary to maintain health and safety.
- Any code simplifications, cost-saving measures, or alternative compliance approaches that could improve the feasibility of small-scale multifamily housing without reducing health and safety.
- Any administrative, permitting, inspection, or enforcement changes that would facilitate safe implementation of the recommended standards.
- Recommendations regarding whether code updates are warranted and, if so, recommendations for code updates for the residential developments evaluated in this section, based on the required probabilistic and comparative risk analysis.

AB 1070 would require HCD, if the study identifies and recommends amendments to building standards, to research, develop, and consider proposing those standards for adoption by the CBSC for the next triennial update of the Building Standards Code.

The bill would also require HCD to perform a review of construction cost pressures for single-family and multifamily residential construction as a result of new or existing building standards requirements, and provide a one-time report of its findings to the Legislature by December 31, 2027.

Related Legislation: AB 6 (Ward), which was held on this Committee's Suspense File last year, would have required HCD to convene a specified working group to research and consider recommending building standards to allow residential developments of 3-10 units to be built under the requirements of the CRC, as specified. The bill also required HCD to perform a review of residential construction cost pressures resulting from building standards requirements, and make recommendations for changes to building standards with the goal of reducing costs by 30%.

AB 2934 (Ward), which was held on this Committee's Suspense File in 2024, was substantially similar to AB 6. However, provisions requiring HCD to perform a review of residential construction cost pressures were amended out of the bill in the Assembly.

AB 529 (Gabriel), Chap. 743/2023, required HCD to convene a specified working group regarding adaptive reuse residential projects, including identifying and recommending amendments to state building standards, and made other changes to state law related to adaptive reuse projects.

Staff Comments: Affordable housing advocates assert certain reasonable requirements in the Building Code for larger buildings can make development of smaller building projects prohibitively complicated or financially infeasible. As a result, several jurisdictions across the United States have begun to allow smaller, "missing-middle housing types," including triplexes and fourplexes, to be built under the requirements of their respective Residential Codes. This bill would require HCD to perform a study that consists of a comprehensive analysis of the opportunities, constraints, technical considerations, and recommendations, as specified, in order to increase the threshold under which residential developments of 3-10 units may be designed and constructed under the CRC, while maintaining health and safety without materially reducing development feasibility.

HCD indicates that it would incur one-time contracting costs of approximately \$6 million in 2027-28, which includes costs of the specified study as well as costs to perform a review of construction cost pressures for residential construction resulting from new and existing building standards. Staff notes that HCD has previously estimated contract costs of approximately \$1.5 million for the cost pressure review and report that was included in prior versions of bills on this topic, so one-time contracting costs for the comprehensive study and analysis work would likely be in the range of \$4.5 million to hire multiple third-party experts with technical expertise. HCD also estimates the need for 1.0 PY of staff at an ongoing cost of \$199,000 to participate in the work of the study, oversee contractors and the report, and evaluate findings. To the extent the working group recommends amendments to building standards, HCD would continue to incur costs for workload to research, develop, and consider proposing building standards for adoption by the CBSC for the next triennial update of the Building Standards Code.