

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1815 (Wicks) – As Amended April 27, 2026

Policy Committee: Housing and Community Development Vote: 12 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill prohibits a city or county from imposing or enforcing building standards that exceed state minimum building standards on a housing construction project that utilizes factory-built housing (FBH).

Specifically, this bill:

- 1) Prohibits a city or county from imposing or enforcing building standards that exceed state minimum building standards in the California Building Standards Code (Title 24 of the California Code of Regulations) on a housing construction project that utilizes FBH.
- 2) Specifies the prohibition above is limited to projects where at least 15% of the project's hard costs for each building in the project are spent on FBH that bears the insignia of the California Department of Housing and Community Development (HCD).
- 3) Defines "hard costs" as the total cost of labor and materials required for the construction scope.

FISCAL EFFECT:

- 1) HCD indicates this bill establishes an ongoing operational role for the department as a central point of coordination and interpretation regarding applicability of state and local building standards in qualifying FBH projects. In this role, HCD estimates the following:

Ongoing General Fund costs of \$1.14 million annually for six positions to (a) develop and maintain a tracking mechanism for local building standard amendments that exceed the California Building Standards Code statewide; (b) develop, adopt, and provide ongoing maintenance, updates, and interpretation of Title 25 regulations to ensure consistent implementation of the 15% threshold and hard costs; (c) develop internal processes and provide ongoing support related to projects utilizing FBH at or above the 15% hard cost threshold; and (d) coordinate with other state agencies and local jurisdictions to support consistent implementation.

- 2) Local costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover planning mandates.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

California urgently needs to embrace innovation to solve our housing crisis. Modern construction methods like FBH hold so much potential to produce housing more quickly, more affordably, and in a more environmentally friendly manner. But our regulatory framework is constraining the industry's growth and adoption. [This bill] will create the standardization that factories need to scale across the state. Building all FBH projects to the state's building standards code prevents fragmentation across California's 540 local jurisdictions. This will create a clear, consistent pathway for factories to successfully scale up production across the state, producing housing more quickly and more affordably at a time when we need it most.

2) **Background. *Factory-Built Housing:*** FBH, often referred to as modular, manufactured, or prefabricated housing, involves the construction or assembly of various components of a housing unit or room in a factory and then transporting those components or structures to the construction site, where they are installed and fixed to a building foundation. Under the California Factory-Built Housing Law, HCD maintains building code and plan approval authority over FBH.

Assembly Select Committee on Housing Innovation (Select Committee). The Select Committee was established in 2025 to explore the state's role in reducing housing costs through facilitating innovation in housing construction. The Select Committee requested support from the University of California, Berkeley's Turner Center for Housing Innovation (Turner Center) to conduct research, including interviews with people familiar with the industry. The Turner Center produced a white paper detailing seven categories of approximately 40 policy proposals identified by stakeholders as potential pathways to reducing barriers to accelerating industrialized construction, including FBH, at scale.

Relevant to this bill, stakeholders identified building code fragmentation as a potential barrier to FBH production. Some stakeholders suggested narrowing the scope of local review to reduce uncertainty without fully removing local authority. This bill prohibits a city or county from imposing building standards that exceed state minimum building standards if at least 15% of the hard costs are spent on FBH with HCD insignia.

Building Standards Freeze. In response to stakeholder concerns regarding the rapid pace of modifications to building standards, the deadly Los Angeles fires of January 2025, and a need to find methods to curb increases in housing construction costs, the Legislature and Governor enacted several significant changes to building standards in the 2025 housing budget trailer bill, AB 130 (Committee on Budget), Chapter 22. Among the changes is a freeze to any new building standards or changes to existing building standards affecting residential units at both the state and local level until 2031, with limited exceptions.