

ASSEMBLY THIRD READING  
AB 1815 (Wicks and Quirk-Silva)  
As Amended April 27, 2026  
Majority vote

## SUMMARY

Prohibits cities and counties from imposing or enforcing building standards that exceed state minimum building standards on a housing construction project that utilizes factory-built housing (FBH), as specified.

### Major Provisions

- 1) Prohibits cities and counties 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 in 1) is limited to projects where at least 15% of the 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
- 4) Declares that the provision of adequate housing, in light of the severe shortage of housing at all income levels in this state, is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution and the changes made by this bill apply to all cities, including charter cities.

## COMMENTS

*Select Committee on Housing Construction Innovation:* In late 2025, the Assembly Select Committee on Housing Construction Innovation (Select Committee) was established with the purpose of exploring how the state can play a role in reducing housing costs by facilitating innovation in housing construction. The Select Committee conducted two hearings in January 2026 and received testimony from industry experts. These experts discussed all the following: the benefits and risks of industrialized construction methods, including potential cost savings; the ability to reduce project timelines; and, regulatory, labor, and budget considerations. The hearings also explored barriers to opportunities for scaling construction innovation.

Stakeholders identified building code fragmentation as a significant challenge to producing FBH at scale. Some stakeholders suggested narrowing the scope of local review to reduce uncertainty without fully removing local authority. Others suggested the development of a single statewide building code for industrialized construction and preempting local building code. The white paper notes that additional research would be required before switching to a state preemption or performance-based building code for industrialized construction.

*FBH:* 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 the transport of those components or structures to the construction site, where they are installed and fixed to a building foundation. FBH is a specific subset of industrialized construction, which

refers to a broad spectrum of practices that apply the ideas and methods from the manufacturing industry to housing design and construction. This is in contrast to traditional ("site-built" or "stick-built") homes, which are built piece by piece on top of the foundation at the actual construction site. FBH units and building components are generally assembled in factories located inside or outside of California. The mass production techniques in a factory environment can sometimes be faster and cheaper than site-built construction methods and are not as impacted by weather constraints that might hamper construction progress on a site, though benefits will vary widely between projects.

*FBH in California:* FBH may be installed where other similar types of dwelling units are zoned. Existing law allows local governments to exercise specified local land use requirements with respect to FBH, but the Attorney General has ruled that local governments may not require use permits for FBH built in residential areas. Local requirements imposed on FBH may not differ substantially from requirements imposed on other residential buildings of the same size.

HCD has maintained building code and plan approval authority over FBH. HCD currently contracts with various Design Approval Agencies who perform third-party review and approval of FBH designs according to regulations established by HCD and the building standards governing FBH. HCD approves Quality Assurance Agencies that inspect FBH during the production phase in the manufacturing facility or offsite. In-plant inspections are conducted by a third party agent certified by HCD to ensure FBH and modular buildings meet state codes and standards during the manufacturing process. Approved FBH must bear a California Insignia of Approval on each FBH system or component in the project.

*Building Standards:* The California Building Standards Law establishes the process for adopting state building standards by the California Building Standards Commission (CBSC). Statewide building standards are intended to provide uniformity in building across the state. The CBSC's duties include the following: receiving proposed building standards from state agencies for consideration in each triennial and intervening building code adoption cycle; reviewing and approving building standards submitted by state agencies; adopting building standards for state buildings where no other state agency is authorized by law; and publishing the approved building standards in the California Building Standards Code (CCR, Title 24).

Most building standards currently in use in California are developed and vetted at the national level every three years by technical organizations, academics, and trade associations that develop consensus standards, which are then incorporated into the International Building Code (IBC), the national model code used by most US jurisdictions. At the state level, agencies with authority over specified occupancies then review the IBC and amend as necessary for California's specific needs. There are approximately 20 state agencies that develop building standards and propose them for adoption to the CBSC.

After the proposal of building standards by state agencies, the proposals undergo a public vetting process. A code advisory committee composed of experts in a particular scope of code reviews the proposed standards, followed by public review. The proposing agency considers feedback and may then amend the standards and re-submit them to the CBSC for consideration. CBSC reviews and adopts the standards and files them with the Secretary of State for codification and publishing, and there is a 180-day period during which local agencies file modifications and changes to the state codes (though they are not limited to this window). The new codes then take

effect January 1 of the subsequent year following publication. Please see the committee analysis for a full discussion of the building standards adoption process.

*Local Amendments to State Codes:* Local governments are provided wide latitude to make changes and modifications to the state baseline codes – so long as they exceed or are more protective than the state baseline, not a reduction – and for codes affecting residential buildings (excluding energy “reach codes” which follow a different process), neither the CBSC nor statute requires the local modifications to include any cost determinations or economic impact analysis. Local governments simply have to include a finding in their filing with the CBSC that the modifications are “reasonably necessary because of local climatic, geological, or topographical conditions” Health and Safety Code (HSC) 17958.7 or environmental conditions for green building standards. CBSC does not currently have the authority to review these findings for validity, merits, or the justification of reasonableness, nor do the local amendments have to follow the APA or more rigorous state review criteria requiring state building standards to “not [be] unreasonable, arbitrary, unfair, or capricious, in whole or in part” (HSC 18930(a)(4)) or have a “cost to the public [that is] reasonable, based on the overall benefit to be derived from the building standards” (HSC 18930(a)(5)).

*Numerous Directives and Mandates Leading to Standards Freeze:* In response to 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 stem 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. The most significant change 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.

### **According to the Author**

"California urgently needs to embrace innovation to solve our housing crisis. Modern construction methods like factory-built housing (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. AB 1815 will create the standardization that factories need to scale across the state. Building all factory-built housing 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."

### **Arguments in Support**

The California Housing Consortium and the Housing Action Coalition write in a support position: "By allowing all factory-built housing projects to be built to the state building code, AB 1815 creates the standardization needed for factories to successfully scale up production across California."

The California Conference of Carpenters writes in a support position: "It has become clear that pre-manufactured housing can provide a significant portion of future home development for our state at a more affordable price than existing on-site housing construction. AB 1815 is one of several measures that will encourage use of this important innovation in home building."

**Arguments in Opposition**

The California State Association of Electrical Workers, California State Pipe Trades Council, and Western States Council of Sheet Metal Workers write in an oppose unless amended position: "Exempting factory-built housing from local and state requirements that locally built housing is still required to meet effectively institutes a policy that incentivizes the elimination of local jobs and local economic growth. The state should not be adopting legislation that puts more burdensome restrictions on locally built housing than it does on factory-built housing. If factory-built housing that reduces local economic benefits is truly more efficient, then it should not need special carve outs that are not provided to locally built housing."

**FISCAL COMMENTS**

According to the Assembly Committee on Appropriations:

- 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.

**VOTES****ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0**

**YES:** Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

**ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

**UPDATED**

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