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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### **AB 1815 (Wicks) - Factory-built housing: building standards and local requirements**

**Version:** July 2, 2026

**Urgency:** No

**Hearing Date:** August 3, 2026

**Policy Vote:** HOUSING 9 - 0

**Mandate:** Yes

**Consultant:** Mark McKenzie

**Bill Summary:** AB 1815 would prohibit cities and counties from imposing or enforcing building standards that exceed the state minimum standards in the California Building Standards Code for factory-built housing (FBH) projects, as specified.

#### **Fiscal Impact:**

- The Department of Housing and Community Development (HCD) estimates ongoing costs of approximately \$1.49 million annually for 7.0 PY of staff to implement and administer the requirements of this bill, based on HCD's interpretation that the bill would establish an ongoing operational role for the department as a central point of coordination and interpretation regarding the applicability of state and local building standards on FBH projects. See Staff Comments. (General Fund)
- Unknown local costs to update permitting and inspection processes and procedures related to FBH projects. These costs would not be reimbursable by the state because local agencies have the authority to charge and adjust planning and permitting fees to cover any costs related to new planning mandates. (local funds)

**Background:** Existing law, the California Building Standards Law, authorizes the California Building Standards Commission (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. 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.

Once adopted at the state level, cities and counties enact an ordinance to adopt the codes. Existing law authorizes a city or county, in adopting ordinances or regulations to adopt the state building code, to make changes or modifications in the requirements of the state building code and other regulations, including green building standards, that it determines are reasonably necessary because of local climatic, geological, or topographical conditions. The local governing body must make a specified finding to justify modifications and file those findings and the adopted local standards with the CBSC.

Existing law, the California FBH Law, defines FBH as a residential building, dwelling unit, or an individual dwelling room or combination of rooms thereof, or building component, assembly, or system manufactured in such a manner that all concealed parts or processes of manufacture cannot be inspected before installation at the building site without disassembly, damage, or deconstruction of the part, including units designed for use as part of an institution for resident or patient care, that is either wholly manufactured or is in substantial part manufactured at an offsite location to be wholly or partially assembled onsite in accordance with specified building standards and regulations. Existing law explicitly excludes a mobilehome, recreational vehicle, or a commercial modular from the definition of FBH, as specified.

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 a construction site, where they are installed and fixed to a building foundation. This is in contrast to traditional “site-built” or “stick-built” housing projects, which are built piece-by-piece on a foundation at the actual construction site. 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 progress on a traditional construction site, though benefits will vary widely between projects. Existing law authorizes the installation of FBH where other similar types of dwelling units are allowed. Local governments may exercise specified local land use requirements with respect to FBH, but local requirements imposed on FBH may not differ substantially from requirements imposed on other residential buildings of the same size.

HCD maintains building code and plan approval authority over FBH through an established process to approve designs submitted by an FBH manufacturer, inspections conducted within factories, and installation approvals by local enforcement agencies. Specifically, HCD currently contracts with various Design Approval Agencies (DAAs) who perform third-party review and approval of FBH designs according to regulations established by HCD and the building standards governing FBH. HCD also approves Quality Assurance Agencies (QAAs) 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, and approved FBH must bear a California Insignia of Approval on each FBH system or component on a project. Lastly, local enforcement agencies are responsible for ensuring installation meets building standards, and that no approved components have changed since the QAA inspection.

**Proposed Law:** AB 1815 would prohibit cities and counties from imposing or enforcing building standards that exceed the state minimum standards in the California Building Standards Code on a FBH construction project. If a project includes FBH and other structures that are not FBH, this prohibition would only apply to the FBH components of a housing development project. This bill would also do the following:

- Reconstitute and clarify several definitions in the FBH Law, including defining “factory-built housing” as a residential building with a factory-built ratio (the cost of factory built components as a percentage of the overall project construction costs) of at least 15%, where at least 2/3 of the new or converted square footage is designated for residential use, as specified.

- Remove local snow load and wind pressure requirements from the list of standards entirely reserved to local jurisdictions to impose on FBH, and express legislative findings that specified provisions of the California Building Code robustly address regional variations in snow load and wind pressure.
- Prohibit local zoning, design standards, local flood resistant control standards, and wildfire safety requirements imposed on FBH from varying substantially from those requirements imposed on other residential buildings of similar size.

**Related Legislation:** AB 2185 (Quirk-Silva), which is currently pending in this Committee, would require relevant state entities, when administering specified multifamily affordable housing programs, to update guidelines and regulations to facilitate the production and use of FBH, and clarify that FBH projects are an allowable use of funding under those programs, as specified.

**Staff Comments:** HCD indicates that this bill would effectively establish an ongoing operational role for the department to act as a central point of coordination and interpretation regarding the applicability of state building standards and local “reach codes” for FBH projects. HCD estimates the need for new staff, at an annual cost of approximately \$1.49 million, to do the following:

- Develop and maintain a tracking mechanism for local agency building standards that exceed state building codes statewide.
- Develop, adopt, and provide ongoing maintenance, updates, and interpretation of HCDs FBH regulations to ensure consistent interpretation of the 15% threshold and hard costs.
- Develop internal processes and provide ongoing support related to projects utilizing FBH at or above the 15% hard cost threshold, as specified.
- Respond to inquiries from developers, local agencies, and stakeholders regarding the calculation, interpretation, and applicability of the 15% threshold.
- Coordinate with other state and local agencies to support consistent implementation.

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