

THIRD READING

Bill No: AB 1815
Author: Wicks (D) and Quirk-Silva (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 9-0, 6/30/26

AYES: Arreguín, Seyarto, Cabaldon, Caballero, Cortese, Durazo, Grayson, Ochoa
Bogh, Padilla

NO VOTE RECORDED: Gonzalez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 71-0, 5/26/26 - See last page for vote

SUBJECT: Factory-built housing: building standards and local requirements

SOURCE: California Housing Consortium
Housing Action Coalition

DIGEST: This bill 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.

Senate Floor Amendments of 8/21/2026 delete and replace an erroneous reference to the California Building Standards Commission to reference the Housing and Community Development Department.

- 1) Incorporate technical feedback from the administration regarding definitions applicable to factory-built housing.
- 2) Recast the definition of “factory-built housing” and “factory-built housing structure” to be calculated based on the percentage of building area, volume or size that uses factory-built components, rather than the percentage of project costs that uses factory-built components.

- 3) Recast provisions specifying that a city and county shall not impose or enforce local building standards on factory-built housing structures that exceed mandatory minimum building standards.
- 4) Explicitly prohibits cities and counties from imposing local energy efficiency and green building standards that exceed the state building standards on factory-built housing structures.
- 5) Restates and references the general ability of a city or county to make changes or modifications to the California Building Standards Code.
- 6) Requires cities and counties to make specified findings that adopting modifications or changes to the state building code are reasonably necessary to maintain minimum health and safety because of local climatic, geological, or topographical conditions, including but not limited to, wildfire risk and flood risk.
- 7) Provides that locally adopted modification or changes to the California Building Standards Code shall not become effective until the finding and modification is filed with the California Building Standards Commission (CBSC).
- 8) Provides that for the purposes of interpreting provisions related to local building codes, there shall be a rebuttable presumption in favor of a determination that facilitates the use of factory-built housing, and that the presumption may only be overcome upon a written finding supported by a preponderance of the evidence that such a determination would conflict with a state building standard or create a specific, adverse impact on public health or safety.
- 9) Makes technical changes and updates to definitions in FBH Law.

Senate Floor Amendments of 8/20/2026 do the following:

- 1) Incorporate technical feedback from the administration regarding definitions applicable to factory-built housing.
- 2) Recast the definition of “factory-built housing” and “factory-built housing structure” to be calculated based on the percentage of building area, volume or size that uses factory-built components, rather than the percentage of project costs that uses factory-built components.
- 3) Recast provisions specifying that a city and county shall not impose or enforce local building standards on factory-built housing structures that exceed mandatory minimum building standards.

- 4) Explicitly prohibits cities and counties from imposing local energy efficiency and green building standards that exceed the state building standards on factory-built housing structures.
- 5) Restates and references the general ability of a city or county to make changes or modifications to the California Building Standards Code.
- 6) Requires cities and counties to make specified findings that adopting modifications or changes to the state building code are reasonably necessary to maintain minimum health and safety because of local climatic, geological, or topographical conditions, including but not limited to, wildfire risk and flood risk.
- 7) Provides that locally adopted modification or changes to the California Building Standards Code shall not become effective until the finding and modification is filed with the California Building Standards Commission (CBSC).
- 8) Provides that for the purposes of interpreting provisions related to local building codes, there shall be a rebuttable presumption in favor of a determination that facilitates the use of factory-built housing, and that the presumption may only be overcome upon a written finding supported by a preponderance of the evidence that such a determination would conflict with a state building standard or create a specific, adverse impact on public health or safety.
- 9) Makes technical changes and updates to definitions in FBH Law.

ANALYSIS:

Existing law:

- 1) Establishes the California FBH Law, which does the following:
 - a) Defines “FBH” to mean 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. Excludes from the definition of FBH a mobilehome, recreational vehicle, or a commercial modular, as specified.

- b) Defines “Design Approval Agency” (DAA) to mean a private organization meeting the requirements specified in Department of Housing and Community Development (HCD) regulations to perform evaluation of FBH and factory-built specifications.
 - c) Requires all FBH manufactured after the effective date of the FBH building standards adopted under the FBH Law, that is sold or offered for sale to first users within California, to bear insignia of approval issued by HCD.
 - d) Requires all FBH bearing an insignia of approval to be deemed to comply with the requirements of all ordinances or regulations enacted by any city, county, or district that may be applicable to the construction of housing.
- 2) Establishes the CBSC within the Department of General Services, and requires the commission to approve and adopt building standards and to codify those standards in the California Building Standards Code. Requires CBSC to publish editions of the code in its entirety once every three years. In the intervening period the commission must publish supplements as necessary.
 - 3) Requires CBSC to receive proposed building standards from a state agency for consideration in an 18-month code adoption cycle. Requires CBSC to adopt regulations governing the procedures for 18-month code adoption cycle.
 - 4) Provides that only those building standards, that are approved by the CBSC and are in effect at the local level at the time an application for a building permit is submitted shall apply to the plans and specifications for construction, with exceptions for permits for residential dwellings based on model home designs approved under specified standards.
 - 5) Pauses changes to building standards affecting residential units at the state and local level until 2031, with limited exceptions.

This bill:

- 1) Defines a “factory-built housing structure” to mean a residential building where at least two-thirds of the new or converted square footage is designated for residential use and in which at least 30 percent of the residential use portion of the building is built using factory-built housing, calculated based on the building’s area, volume or size as determined by the licensed design professional responsible for the project and subject to concurrence by HCD or the DAA.

- 2) Specifies that a city, county, or district, shall not impose or enforce local building standards on factory-built housing structures that exceed or differ from the applicable mandatory standards in the California Building Standards Code.
- 3) Specifies that a city, county, or district shall not impose or enforce local amendments to the energy efficiency and green building standards that exceed or differ from the California Building Standards Code on factory-built housing structures.
- 4) Restates the ability of a city or county under existing law to make local changes and modifications to the requirements contained in the Building Standards Code.
- 5) Provides, pursuant to existing law, that a city or county must make specified findings that adopting modifications or changes to the state building code are reasonably necessary to maintain minimum health and safety because of local climatic, geological, or topographical conditions, including but not limited to, wildfire risk and flood risk.
- 6) Provides that a locally adopted modification or changes to the California Building Standards Code shall not become effective until the finding and modification is filed with the CBSC
- 7) Provides that for the purposes of interpreting provisions related to local building codes, there shall be a rebuttable presumption in favor of a determination that facilitates the use of factory-built housing, and that the presumption may only be overcome upon a written finding supported by a preponderance of the evidence that such a determination would conflict with a state building standard or create a specific, adverse impact on public health or safety.

Background

Factory-Built Housing. FBH refers to industrialized housing construction, where either the entirety of, or components of, a housing unit are produced or assembled in an offsite factory, or both, and then transported to the housing site. FBH is often colloquially referred to as modular, or prefabricated housing. Where traditional “site-built” or “stick-built” housing is entirely constructed on a foundation at the actual housing site, FBH utilizes the efficiencies of an assembly line, similar to a car or an appliance. Entire units and modules are assembled in a climate-controlled factory and are much less susceptible to construction delays associated with traditional housing construction (e.g., disruptive weather). While benefits may vary by project and jurisdiction, the Turner Center for Housing Innovation at

University of California, Berkeley (Turner Center), finds that using FBH methods has the potential to reduce hard costs for a project by 10-25% and significantly reduce build times, compared to traditional construction.¹

Comments

Author's statement. “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. 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.”

FBH in California. FBH may be installed where other similar types of dwelling units are allowed. Existing law allows local governments to 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. 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 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. Approved FBH must bear a California Insignia of Approval on each FBH system or component in the project.

Zoning codes and building codes. California FBH Law currently allows local agencies to impose “local use zone” or zoning requirements, and certain categories of building standards on FBH projects, provided that the standards do not deviate

¹ Stephanie Hawke, et. al. *Potential Pathways to Scale Innovative Construction Methods in California*. Accessible here: <https://turnercenter.berkeley.edu/wp-content/uploads/2026/03/PathwaystoScaleInnovativeConstruction2026.pdf>. March 2026.

substantially from standards imposed on similar residential structures. Existing law specifies that in addition to zoning requirements, local agencies can impose building setbacks, side and rear yard requirements, site development, property line, and architectural requirements on FBH projects; these standards are all duplicative examples of zoning code requirements, which statute already reserves for local agencies to impose. This bill removes these superfluous references. Removing these references to zoning code standards removes excess language from statute but does not have a practical effect on the ability of local agencies to impose zoning requirements that apply broadly to residential structures in the jurisdiction such as setback requirements, and requirements for off-street parking.

The more substantive changes in this bill stems from provisions that remove the ability of a city or county to impose or enforce building standards that exceed the state minimum building standards on any projects where FBH components comprise 15% of the vertical construction costs of each structure in the project. An exception to this preemption is made for locally adopted flood resistance and wildfire safety standards.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

The Department of Housing and Community Development (HCD) indicates that this bill would impose ongoing workload to collect, validate, and store reported data on congregate housing units or RCFEs, and provide technical assistance to local agencies, as well as one-time costs to update the housing element APR form and to update IT systems. HCD notes that there are multiple pending bills that would impact APR requirements, and that if several such bills are enacted, total costs would be in the hundreds of thousands of dollars. Staff estimates that workload directly attributable to this bill would likely exceed \$50,000, and could be as high as \$150,000 if no other APR bills are enacted and HCD would still be responsible for one-time fixed costs to update forms and IT systems, and to provide ongoing data collection and technical assistance services.

SUPPORT: (Verified 8/20/26)

California Housing Consortium (Co-source)

Housing Action Coalition (Co-source)

Aids Healthcare Foundation

Autodesk, INC.

Bay Area Council

California Council for Affordable Housing
California Downtown Association
California Yimby
Casita Coalition
Cbia
Circulate Planning & Policy
City of Oakland
Council of Infill Builders
Dignitymoves (UNREG)
East Bay Yimby
Eden Housing
Elevate California
Grow the Richmond
Habitat for Humanity Greater San Francisco
Inner City Law Center
Leadingage California
Mountain View Yimby
Napa-solano for Everyone
Northern Neighbors Sf
Peninsula for Everyone
San Francisco Yimby
San Jose Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
South Bay Yimby
Southern California Association of Non-profit Housing
Student Homes Coalition
The California Housing Partnership
Ventura County Yimby
Yes! in Redwood City
Yimby Action
Yimby Los Angeles
Yimby Monterey Peninsula
Yimby Slo
Zillow Group

OPPOSITION: (Verified 8/20/2026)

California State Association of Electrical Workers
California State Pipe Trades Council

Western States Council Sheet Metal, Air, Rail and Transportation

ARGUMENTS IN SUPPORT: The California Housing Consortium, and the Housing Action Coalition are sponsoring this measure. They argue that building code fragmentation standards as one of the barriers that slows production timelines and poses risks for factory-built housing. They further note, that 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.

ARGUMENTS IN OPPOSITION: The California State Association of Electrical Workers, the California State Pipe Trades Council, and the Western States Council of Sheet Metal Workers oppose this bill. They note that FBH factories are often located outside of California, creating a risk that portion of California based construction work will be outsourced to factories out of state with weaker labor standards. They argue that this bill should be amended to include a Buy California/ Buy America mandate for factory-built components, and that the bill should establish strong labor standards..

ASSEMBLY FLOOR: 71-0, 5/26/26

AYES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Irwin, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Addis, Boerner, Bryan, Hart, Jackson, Lackey, Muratsuchi, Celeste Rodriguez, Schiavo

Prepared by: Hank Brady / HOUSING / (916) 651-4124
8/24/26 11:28:20

**** END ****