

CONCURRENCE IN SENATE AMENDMENTS

AB 1815 (Wicks and Quirk-Silva)

As Amended August 21, 2026

Majority vote

SUMMARY

Prohibits a city, county, or district from imposing or enforcing local building standards applicable to a factory-built housing structure, as defined, that exceeds or differs from the applicable mandatory standards contained in the California Building Standards Code.

Senate Amendments

- 1) Define "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% of the residential use portion of the building is built using factory-built housing and 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 the department or design approval agency.
- 2) Recast the provision prohibiting cities and counties from imposing or enforcing local building standards that exceed or differ from the applicable mandatory standards contained in the California Building Standards Code to specify the prohibition is applicable to the new term "factory-built housing structure."
- 3) Make conforming changes to the definitions of "factory-built housing" and "building component" to distinguish those terms from "factory-built housing structure" and thereby the prohibition in 2) above.
- 4) Explicitly prohibit cities, counties, and districts from imposing or enforcing local amendments to the California Energy Code and the California Green Building Standards Code.
- 5) Restate and reference the general ability of a city or county to make changes or modifications to the California Building Standards Code.
- 6) Require cities and counties to make an express finding, before making any modifications or changes to the state building code, that adopting the 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) Make a finding in 6) available as a public record and require the finding to be filed with the California Building Standards Commission (CBSC).
- 8) Establish a rebuttable presumption in favor of a determination that facilitates the use of factory-built housing and allows a project to qualify as a factory-built housing structure for purposes of interpreting provisions related to local building codes.
- 9) Specify that the rebuttable presumption in 8) may be overcome only upon a written finding, supported by a preponderance of the evidence, that the determination would conflict with an

applicable state building standard or create a specific, adverse impact on public health or safety.

- 10) Make conforming changes in references to factory-built housing in the Revenue and Taxation Code and Vehicle Code.

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 factory-built housing 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.

Factory-built Housing: Factory-built housing, 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.

Factory-built Housing in California: Factory-built housing 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 factory-built housing, but the Attorney General has ruled that local governments may not require use permits for factory-built built in residential areas. Local requirements imposed on factory-built housing 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 factory-built housing. HCD currently contracts with various Design Approval Agencies who perform third-party review and approval of factory-built housing designs according to regulations established by HCD and the building standards governing factory-built housing. HCD approves Quality Assurance Agencies that inspect factory-built housing 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

factory-built housing and modular buildings meet state codes and standards during the manufacturing process. Approved FBH must bear a California Insignia of Approval on each factory-built housing system or component in the project.

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 [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

According to the California Housing Consortium and the Housing Action Coalition, "Building code fragmentation stands as one of the barriers that slows production timelines and poses risks for factory-built housing. A report recently published by the University of California (UC) Berkeley Turner Center for Housing Innovation notes that there are opportunities to increase certainty for factory-built housing projects through building code reform. Factory-built projects rely on standardized designs and the ability to replicate those designs to achieve production efficiencies. However, due to varying requirements across jurisdictions, it is not possible to use standardized models in different markets."

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 write in an oppose unless amended position: "As drafted, AB 1815 encourages greater use of factory-built housing without ensuring that these products are manufactured in California or the United States, and without requiring basic labor standards. The bill could incentivize production in states or countries with lower wages and weaker worker protections, undermining California's construction workforce and sending jobs and economic benefits out of state. If the Legislature is going to promote factory-built housing, it should ensure those public policies support California workers and manufacturers. At a minimum, the bill should be amended to include Buy California/Buy America requirements and establish strong labor standards for the manufacturing of factory-built housing."

FISCAL COMMENTS

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.

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

ASSEMBLY FLOOR: 71-0-9

YES: 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

ABS, ABST OR NV: Addis, Boerner, Bryan, Hart, Jackson, Lackey, Muratsuchi, Celeste Rodriguez, Schiavo

UPDATED

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