

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 1926 (Pacheco) – As Amended April 13, 2026

SUBJECT: Residential construction costs: regulation

SUMMARY: Requires the Department of Housing and Community Development (HCD), to approve in writing any new regulation, or the amendment or repeal of a regulation that could increase construction costs for single-family and multifamily residential housing before it can be valid or effective and submitted to the Secretary of State or the Office of Administrative Law. Specifically, **this bill:** Provides that a building standard that could increase the cost of residential construction cannot be considered valid and adopted by the California Building Standard Commission (CBSC) without HCD's written review and approval.

EXISTING LAW:

- 1) Establishes the CBSC within the Government Operations Agency and requires CBSC to receive proposed building standards from state agencies for consideration in an 3-year code adoption cycle, with procedures that ensure adequate public participation, notice and justification, technical review, and opportunities for advisory input before adoption by CBSC. (Health and Safety Code (HSC) Section 18920 and 18921.1)
- 2) Requires any building standard adopted or proposed by state agencies to be submitted to, and approved or adopted by, the CBSC prior to codification. Requires building standards submitted for approval to include an analysis written by the agency proposing the standards, which justifies the approval using the following criteria:
 - a) The proposed building standard does not conflict with, overlap, or duplicate other building standards;
 - b) The proposed standard is within the parameters established by enabling legislation and is not expressly within the exclusive jurisdiction of another agency;
 - c) The public interest requires the adoption of the building standard, which includes, but is not limited to, health and safety, resource efficiency, fire safety, seismic safety, building and building system performance, and consistency with environmental, public health, and accessibility statutes and regulations;
 - d) The proposed standard is not unreasonable, arbitrary, unfair, or capricious;
 - e) The cost to the public is reasonable, based on the overall benefit to be derived;
 - f) The proposed standard is not unnecessarily ambiguous or vague;
 - g) The applicable national specifications, published standards, and model codes have been incorporated where appropriate;

- h) The format of the proposed standard is consistent with that adopted by the CBSC; and
 - i) The proposed standard, if it promotes fire and panic safety, as determined by the SFM, has the written approval of the SFM. (HSC 18930)
- 3) Requires every agency subject to the Administrative Procedure Act (APA) to prepare and submit an initial statement of reasons for proposing the adoption, amendment, or repeal of a regulation, which must include certain information, including, for building standards, the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates. (Government Code Section 11346.2)
 - 4) Requires agencies promulgating regulations to analyze the potential impact of a proposed regulation on businesses or job creation in the state and potential financial impacts on state agencies. (GOV 11346.2)
 - 5) Requires state agencies adopting building standards that impact housing to include estimated benefits and costs of compliance, as well as underlying assumptions, in an initial statement of reasons. (GOV 11346.2)

FISCAL EFFECT: Unknown.

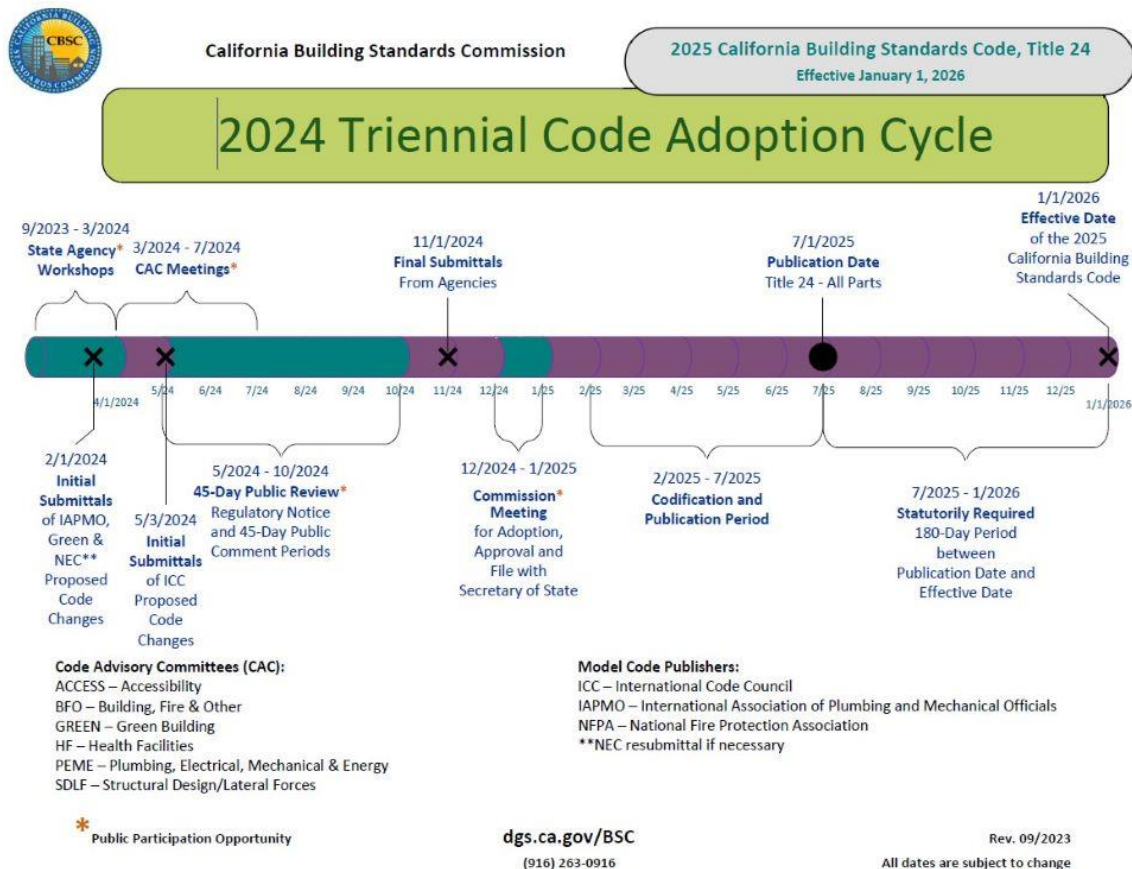
COMMENTS:

Author's statement: According to the author "From permit streamlining and reducing fees, lawmakers have taken significant steps to solve this problem. These actions reflect a bipartisan effort to remove obstacles for building housing across the state. However, despite these efforts, housing production and overall growth continue to fall short of what is needed. Persistent barriers, particularly the high cost of construction, remain a major deterrent to building more housing in California.

AB 1926 aims to address some of the cost pressures associated with residential construction by reviewing some of our building codes and standards. The bill tasks the California Department of Housing and Community Development (HCD) with identifying opportunities for cost-reduction while maintaining the integrity and intent of existing regulations. In addition, AB 1926 establishes an ongoing process for HCD to regularly evaluate building codes, ensuring they do not contribute unnecessarily to rising construction costs. AB 1926 ensures that California is actively identifying and addressing cost drivers within its control. In doing so, the bill supports the broader goal of making housing development more feasible and responsive to the state's ongoing housing crisis."

Background on Building Standards: The California Building Standards Law establishes the process for adopting state building standards by the CBSC. Statewide building standards are intended to provide uniformity in building across the state. The Commission'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 (California Code of Regulations, 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 national 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, state 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.



Who Creates Residential Building Standards: Two types of state agencies are involved with creating building standards: proposing and adopting agencies. State proposing agencies submit proposed building standards to CBSC for adoption. CBSC administers its rulemaking process by conducting public comment periods, hearings, and meetings, and adopting the building standards at a public meeting. HCD, the State Fire Marshall, and the Division of State Architect are the most common proposing agencies.

State adopting agencies have authority in state law to administer the rulemaking process, conduct their own hearings and public comment periods, and adopt building standards at a public meeting. The California Energy Commission, State Historical Building Safety Board, and State Lands Commission are adopting agencies. Both proposing and adopting agencies must submit a written analysis to CBSC when submitting building standards of various factors including if the cost to the public is reasonable, based on the overall benefit to be derived from the building standards. CBSC’s role is to verify compliance with state laws governing the rulemaking process.

This bill adds to the list of documentation that an agency must submit to CBSC when proposing building standards approval from HCD if the standard would increase the cost of residential construction. As discussed, CBSC's role in the process is to confirm that the proposing agency followed the rulemaking process when proposing the building standard. CBSC must consider any factual determinations of the adopting agency or state agency that proposes the building standards to be considered conclusive by the CBSC unless the CBSC specifically finds, and sets forth its reasoning in writing, that the factual determination is arbitrary and capricious or substantially unsupported by the evidence considered by the adopting agency or state agency that proposes the building standards.

Building Standards Qualify as Regulations: The adoption of building standards is subject to the APA, which establishes the general process for the adoption of regulations. As part of the APA, an entity proposing new or amended regulations must prepare and submit a notice of the proposed action and an initial statement of reasons (ISOR) for proposing the change in regulation to the Office of Administrative Law (OAL). Among other things, the ISOR must include a statement of the specific purpose for each change, the problem the agency intends to address, and the rationale for why the change is reasonably necessary to carry out the purpose and address the problem for which it is proposed. The ISOR must also enumerate the benefits anticipated from the regulatory action, both monetary and non-monetary, and include evidence to support an initial determination that the change may have or will not have a significant, statewide adverse impact directly affecting business.

The notice of proposed action that accompanies the ISOR must include, among other things, a statement of whether or not the changes would have a significant effect on housing costs and, separately, a description of all cost impacts known to the agency that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. If the agency is unaware of cost impacts on private persons or businesses, it may state that instead.

AB 1612 (Lara), Chapter 471, Statutes of 2012 required the ISOR for any amendment to a model building code that impacts housing to include the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates. For changes in the model codes themselves, AB 1612 requires the ISOR to include the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates for that specific change only if an interested party has made a request to the agency to examine that specific section. State agencies developing building standards that relate to housing must publicly substantiate how the cost of the new standards are determined.

This bill would require HCD to approve in writing any new regulation, or the amendment or repeal of a regulation that could increase construction costs for single-family and multifamily residential developments, before it can be valid or effective and submitted to the Secretary of State or the OAL. Since this bill does not specify which agencies it would apply to, it could result in any entity submitting a new regulation or changing an existing regulation to have to submit it to HCD for review even if the regulation does not impact housing. This bill would only apply to those entities, excluding HCD, that traditionally propose building standards. This step would also come after those entities have completed all the rule making steps to propose a regulation including the public process.

Arguments in Support: None on file.

Arguments in Opposition: None on file.

Related Legislation:

AB 2044 (Petrie-Norris), of this Legislative session, would require the CBSC to deny a proposed building standard if it finds that the initial statement of reason is submitted without a completed statement of estimated cost compliance, including the related assumptions used to determine the estimate. This bill is set to be heard in Assembly Housing and Community Development Committee on April 22, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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