

ASSEMBLY THIRD READING
AB 2012 (Hoover and Wicks)
As Amended April 22, 2026
Majority vote

SUMMARY

Changes the annual and special permitting requirements the Department of Transportation (Caltrans) or a local authority imposes on the movement of manufactured homes on streets, local roads, and state highways, and defines "manufactured home".

Major Provisions

- 1) States that a special permit is not required to move a manufactured home if the applicant has obtained an annual permit.
- 2) Defines a "manufactured home" to include components or modules of factory-built housing as defined by section 19971 of the Health and Safety Code.

COMMENTS

California's housing crisis. California faces a complex and deepening housing affordability crisis. Rising home prices and rents, high rates of homelessness, overcrowding, and displacement are widespread. For decades, California's home prices have outpaced other states. As of February 2026, the median-sale price of a home in California is approximately \$818,600 to \$823,180. Over 11 California counties, including San Francisco and Orange County, maintain median prices over \$1 million.

Underproduction of housing is one of the main drivers of the state's housing affordability crisis. The state has not built enough housing to meet the demand. According to the California Department of Housing and Community Development (HCD), California must build 2.5 million homes by 2030 to meet the state's housing needs. In fact, California is second to last in terms of housing units per capita, with 358 units per 1,000 people, behind the national average of 419 units. While there are several reasons for the housing shortage, including lengthy development timelines, stringent and variable building codes, and land use regulations, a key contributor is high development costs.

Innovative housing construction. Innovation in the building industry has emerged as a potential pathway to lower costs and increased housing production. Industrialized construction (IC) has precedent in the United States and abroad and refers to a broad spectrum of practices that apply the ideas and methods from the manufacturing industry to housing design and construction. This includes prefabricated building elements (such as walls, floors, or entire units) assembled in facilities separate from the project site, as well as technology like on-site 3D printing. HCD uses the term "factory-built housing" (FBH) to refer to the specific subset of IC focused on off-site prefabrication, such as panelized elements or volumetric modular units. This is distinct from manufactured housing units, which are similarly produced off-site but are governed by federal code and follow distinct market and regulatory dynamics. IC methods promise shorter timelines, greater predictability, improved quality control, and the potential for economies of scale. In theory, these efficiencies could translate into lower per-unit costs; reduced financing risk; and ultimately, greater housing supply.

Specific applications of off-site construction have documented savings of up to 20% on the cost of building a three or four-story wood-frame multifamily development, and projects with substantial off-site construction components can reduce timelines by between 40 and 50%.

Despite these advantages, factory-built construction has struggled to reach scale in the state. While there are successful projects and firms operating in California, the sector remains small relative to conventional site-built construction, with some estimates putting it as less than 5% of total new residential construction. This gap between technical potential and market reality suggests that the constraint is not simply whether factory-based methods can work, but whether the broader policy, regulatory, financial, and institutional environment will allow them to work.

Stakeholders consistently emphasize that the failure to scale can be traced back to the distinct barriers related to risk, certainty, and liability that IC faces. Factory-based production requires upfront capital, standardized processes, and predictable approvals; yet current regulatory and financing systems were largely designed around site-built construction and often introduce uncertainty, duplication, and misaligned incentives. As a result, some of the efficiencies that IC is meant to deliver are eroded by friction elsewhere in the development process.

California road safety. California continues to experience a high level of roadway fatalities and serious injuries, with conditions on high-speed facilities, particularly the state highway system, representing a significant share of severe outcomes. According to the California Office of Traffic Safety, there were 4,061 traffic fatalities statewide in 2023, a decrease from 4,539 in 2022, though still historically elevated compared to pre-pandemic levels. The statewide fatality rate was approximately 1.26 deaths per 100 million vehicle miles traveled.

The state highway system, managed by Caltrans, comprises over 15,000 centerline miles and carries a disproportionate share of long-distance and high-speed travel, resulting in a higher severity of crashes relative to local streets. Crash data collected through Caltrans' annual highway reports indicate that highway collisions are more likely to result in fatalities or serious injuries due to higher travel speeds, longer trip lengths, and increased interaction with heavy vehicles.

Caltrans transportation permitting process. The Caltrans Transportation Permit Manual specifies four main types of special permits (transportation permits), single trip, repetitive, variance, and annual. Each of these is considered a type of special permit.

A single-trip permit is issued for a load or vehicle exceeding 8'-6" in width, 14' in height, or 80,000 pounds in weight, and is valid for one-way travel from Point A to Point B. The permit is valid for seven days and is good for one trip. Permit writers prepare a safe route by checking all horizontal and vertical clearances, as well as bridge weight restrictions. If the same route is used for multiple one-way trips, a repetitive permit may be issued for loads up to 12 feet wide, 14'-6" high, and 90 feet long. A repetitive permit is valid for up to 90 days. For loads exceeding 15 feet in width, 17 feet in height, or 135 feet in length, a variance permit is issued, which is a type of single trip permit. A variance permit may require a California Highway Patrol escort to move the load.

An annual permit is issued for a load or vehicle up to 12 feet in width, 14 feet in height, and 40 feet distance from kingpin to rear axle. These permits are valid for one year. Permit writers do not prepare a specific route; rather, permit holders may travel on all designated annual routes. Caltrans weekly notifies the hauler of any restrictions on those annual routes.

Regarding manufactured homes, annual permits are issued for loads up to 12 feet in width, 14 feet in height, and combined lengths up to 105 feet using California pilot car maps. These limits allow uniform statewide travel without requiring route-specific engineering review. A single-trip permit is issued for manufactured homes between 12 and 16 feet in width because exceeding annual permit parameters (width, height, and length) requires verification of bridge clearances, overhead structures, turning radii, and overall route feasibility. When widths exceed 12 feet, heights exceed 14 feet, or lengths approach 120 feet, individual routing and clearance checks become necessary for safe operation. Expanding annual permit eligibility to the statutory maximums in the Vehicle Code (VEH 35790.1) would eliminate the operational boundary between permit types and undermine the safety foundation of the annual permit program.

Pilot cars. Escort vehicles play a critical role in identifying hazards, assisting lane positioning, warning the public, and ensuring drivers can safely navigate constrained or complex highway segments. Lane widths on highways in California range from 9 to 12 feet wide. Manufactured homes are often wider than the width of the lane they are travelling on, and the increased widths proposed in this bill exacerbate this issue.

According to the Author

"California's housing crisis requires a creative solution to increase affordability and availability. Factory-built housing and manufactured homes offer an innovative approach to alleviating the housing shortage across our state. AB 2012 will lower transportation costs for manufactured homes and factory-built housing by allowing larger, more efficient housing modules to be shipped in California, while still maintaining safe conditions. This bill increases the allowable module width while reducing overly burdensome escort requirements. By modifying the current shipping procedures, we will significantly reduce the overall transportation costs and ensure more affordable housing options are available to Californians."

Arguments in Support

According to the Western Manufactured Housing Communities Association, "Manufactured homes are an important component of California's housing supply, and one of the primary advantages of mobilehomes is that they are much more affordable than traditional site-built homes. AB 2012 is an attempt to make manufactured homes even more affordable to future homebuyers planning to live in mobilehome parks across California. Your bill will reduce transportation costs associated with moving manufactured homes from factories to their installation sites. By removing excessive pilot car requirements and a requirement to use the California Highway Patrol to escort vehicles of a certain size, costs will drop and safety will be ensured by allowing a manufacturer to obtain a single permit to transport large homes."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, "Costs to Caltrans should be minor and absorbable.

Costs to any local authority should be similarly minor and absorbable and, in any case, the state would not be obliged to reimburse such local costs because a local authority is able to charge a fee to cover its costs."

VOTES

ASM TRANSPORTATION: 13-0-3

YES: Wilson, Davies, Aguiar-Curry, Ahrens, Carrillo, Hart, Hoover, Jackson, Macedo, Papan, Ransom, Rogers, Sharp-Collins

ABS, ABST OR NV: Ávila Farías, Harabedian, Lackey

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Bauer-Kahan, Calderon, Caloza, Ellis, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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