
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2058 (Harabedian) - California Factory-Built Housing Law: inspection: permitting

Version: June 25, 2026

Policy Vote: HOUSING 10 - 0, L. GOV. 7
- 0

Urgency: No

Mandate: Yes

Hearing Date: August 13, 2026

Consultant: Mark McKenzie

Bill Summary: AB 2058 would allow a “first user” of factory-built housing (FBH) to choose to have either a local enforcement agency or a quality assurance agency (QAA) enforce and inspect the installation of FBH, as specified. The bill would also prohibit a local agency from imposing any permitting fee related to FBH that exceeds 50% of the equivalent permitting fee for non-FBH, unless it makes a specified written finding.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****
The following information is revised to reflect amendments
adopted by the committee on August 13, 2026

Fiscal Impact:

- The Department of Housing and Community Development (HCD) estimates one-time costs of approximately \$240,000 in 2027-28 for IT system changes and development of additional reporting functionality, and ongoing costs, likely in the mid-millions of dollars annually beginning in 2027-28 significant staffing resources. HCD anticipates significant and complex workload to implement and administer a process of certifying QAAs to conduct site inspections throughout the state and overseeing administrative operations of certified inspectors, compliance and enforcement. HCD notes that implementation may require access to licensed engineering expertise for complex specialized issues related to FBH installation inspections, and that ongoing costs could be higher depending on QAA certification volume and the complexity of any complaints and enforcement actions. Staff notes that there are only 14 QAA entities that conduct inspections at a limited number of manufacturing facilities, while this bill would require a statewide network of QAAs that would be responsible for enforcing and inspecting FBH at construction sites throughout the state for projects that may include mixed amounts of FBH components and standard construction. (General Fund)
- Unknown local costs to update permitting and inspection processes and procedures related to FBH projects, and to implement specified permitting and inspection fee caps. 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. Staff notes that the bill imposes limits on FBH local agency inspection and permitting fees related to FBH, but allows local agencies to charge fees that are commensurate to their reasonable costs, as part of a written finding and adopted resolution or ordinance, as specified. (local funds)

Author Amendments:

- Delete the authority for a QAA to conduct enforcement, and limit QAA authority to inspections of FBH installations.
- Clarify the definition of a QAA as an entity that performs onsite inspections of FBH, in addition to in-plant inspections of the manufacture of FBH.
- Require HCD, by January 1, 2029, to adopt regulations to establish standards, qualifications, procedures, and oversight requirements governing QAAs performing installation inspections, as specified.
- Specify that the option for a first user to use a QAA to conduct inspections of FBH installations is not operative until HCD adopts those regulations.
- Authorize a local enforcement agency to charge fees for inspection of sitework for items not related to the installation of FBH, if a first user opts to have a QAA inspect the installation of FBH, as specified.
- Require a QAA performing installation inspections of FBH to coordinate with a local enforcement agency and ensure that installation inspections are conducted in a manner consistent with applicable local requirements that are not preempted by these provisions.

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