

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1751 (Quirk-Silva) – As Amended April 20, 2026

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| Policy Committee: | Housing and Community Development | Vote: | 12 - 0 |
| | Local Government | | 7 - 0 |

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill establishes the Missing Middle Townhome Ownership Act (Act), which creates a streamlined, ministerial approval process for townhome development on residentially zoned lots.

Among its provisions, this bill:

- 1) Defines “townhome” as a single-family dwelling unit less than or equal to three stories of occupiable square footage, that either shares a common wall with other single-family dwelling units on one or two sides or is separated from one or more neighboring units by an air gap.
- 2) Allows a development proponent to submit an application for a townhome housing development project under the Act in any city and any unincorporated area of a county
- 3) For any application submitted, allows a local agency to impose objective zoning, subdivision, or design standards that are applicable to townhome development projects, that do not conflict with the requirements of the Act, and meet other criteria.
- 4) Requires a local agency to ministerially consider, without discretionary review or hearing, an application for a townhome development project submitted under the Act.
- 5) Allows a local agency to disapprove a townhome development project under the Act if it makes a written finding that the proposed townhome housing development project would have a specific, adverse impact upon public health and safety, as specified.
- 6) Requires a local agency to ministerially consider, without discretionary review or a hearing, a parcel map or a tentative and final map for a townhome development project that meets specified density, zoning, lot size, affordability, and other requirements.
- 7) Requires a local agency to approve or deny an application for a parcel map or tentative map for a townhome development project in accordance with the timelines in the Housing Accountability Act (HAA) and the Permit Streamlining Act (PSA).
- 8) Allows a local agency to deny the issuance of a parcel map, tentative map, or final map for a townhome development project if it makes a written finding that the proposed townhome development project would have a specific, adverse impact, upon public health and safety, as specified.

- 9) Provides that the approval of a townhome development project pursuant to the Act is not a project under the California Environmental Quality Act (CEQA).
- 10) Requires a minimum wage of \$28 an hour to apply to all construction workers employed in the execution of a townhome development project utilizing the Act.
- 11) Provides that nothing in this bill may affect the determination of the prevailing wage pursuant to the Labor Code and other applicable law.
- 12) Requires the \$28 wage to be annually adjusted on or before April 1. Requires the Department of Industrial Relations (DIR) to calculate and publish on its internet website the adjusted wages based on the U.S. Consumer Price Index for the previous calendar year.
- 13) Authorizes a joint labor-management cooperation committee (JLMC) established pursuant to the federal Labor Management Cooperation Act of 1978 to bring a civil action to enforce certain labor and contractor licensing laws.
- 14) Requires the court to award a prevailing JLMC its reasonable attorney's fees and costs incurred maintaining the action.
- 15) Exempts the City and County of San Francisco from the bill's provisions.

FISCAL EFFECT:

- 1) HCD does not attribute direct costs to the bill, but notes, to the extent that multiple bills amending state housing law are passed and signed this year, it may require increased staff resources to manage increased workload related to technical assistance requests and enforcement efforts.
- 2) Ongoing cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts in additional workload by authorizing a new civil action. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions. This backfill was \$117.3 million in 2025-26.
- 3) Ongoing minor and absorbable costs (special fund) to DIR, to annually calculate and post on its website inflation-adjusted wages.
- 4) Costs to cities and counties of an unknown amount to establish a ministerial approval process for townhome housing developments. These costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:1) **Purpose.** According to the author:

California is facing a homeownership crisis that reflects the disappearance of the middle-class. With only 18% of households able to afford a median-priced single-family home, the dream of owning a piece of our state and building generational wealth is fading away for millions of hardworking families and the next generation of Californians. The evidence is clear, while detached single family units become more expensive, townhomes offer a feasible path forward. [This bill], the Missing Middle Townhome Ownership Act removes red tape that has made developing these projects so arduous.

2) **Background.** In recent years the state has taken a series of steps to address land use and regulatory constraints on new housing production. Recent legislation has focused on shifting housing approval from discretionary processes to more standardized, ministerial approvals governed by objective standards, and on efforts to upzone land for higher density residential development.

The Legislature has also passed measures to streamline and simplify the process to subdivide existing residential properties to facilitate small-scale, ownership-oriented housing production. For example, SB 684 (Caballero), Chapter 783, Statutes of 2023, and SB 1123 (Caballero), Chapter 294, Statutes of 2024 established a streamlined, ministerial approval process for small subdivisions of up to 10 units in urban infill areas, enabling the creation of fee-simple lots and supporting “missing middle” housing types such as townhomes.

This bill promotes homeownership by creating a new, streamlined, ministerial approval pathway for townhome housing development projects on sites zoned for multifamily residential development or on underutilized single-family sites.

3) **Arguments in Support.** This bill is supported by numerous affordable housing advocates, local chambers of commerce and other local business interests. The New California Coalition, sponsor of the bill, asserts:

[This bill] will address a key component of this affordability gap by focusing on townhome developments. Townhomes are one of the few homeownership products that are both affordable to first-time homebuyers, insurable, and financeable for builders. This makes the townhome model attractive and achievable. However, delays due to discretionary approval processes add time and cost to these projects, which makes it more difficult to deliver homes at an attractive price. [This bill] provides needed streamlining for townhome developments that will help projects break ground faster, creating more entry-level homeownership opportunities for Californians in a timely manner.

4) **Arguments in Opposition.** This bill is opposed by the California Contract Cities Association (CCAA) which asserts the bill “undermines local jurisdictions’ authority over land-use decisions.”

This bill is also opposed by numerous labor organizations who collectively assert the bill legislatively “mandates lower wages for construction workers than what currently exists for constructions workers in the residential housing sector.”

- 5) **Related Legislation.** AB 2005 (Ahrens), of this legislative session, creates an alternative compliance pathway for the owner-occupancy requirement of SB 9 (Atkins), Chapter 162, Statutes of 2021. AB 2005 is pending in this committee.

AB 2601 (Lee), of this legislative session, makes several changes to the permitting and subdivision processes for small-scale and missing middle housing developments. AB 2601 is pending in this committee.

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