

ASSEMBLY THIRD READING  
AB 1751 (Quirk-Silva and Wicks)  
As Amended May 18, 2026  
Majority vote

## SUMMARY

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

### Major Provisions

- 1) Establishes the Act, creating a ministerial approval pathway for qualifying townhome housing development projects and related subdivision maps.
- 2) Defines a townhome as a single-family dwelling unit of three stories or less that either shares a common wall with other single-family units on one or two sides, or is separated from neighboring units by an air gap.
- 3) Defines a qualifying townhome development project as a housing development consisting entirely of townhomes and meeting at least 75% of the applicable Mullin density under Housing Element Law.
- 4) Requires local agencies to consider qualifying townhome development applications ministerially, without discretionary review or a hearing.
- 5) Allows local agencies to apply objective zoning, subdivision, and design standards, but prohibits standards that would physically preclude the project from meeting the required density, impose special requirements because the project uses this law, or require covered/enclosed parking where otherwise prohibited or restricted.
- 6) Applies Housing Accountability Act (HAA) and Permit Streamlining Act (PSA) procedures and timelines to qualifying applications, including preliminary application, completeness, standards, and permitting timelines.
- 7) Allows a local agency to deny a qualifying townhome project only with a written finding, based on a preponderance of the evidence, that the project would have a specific, adverse public health or safety impact with no feasible mitigation or avoidance method.
- 8) Creates a separate ministerial subdivision process for parcel maps and tentative/final maps for qualifying townhome projects that meet this bill's site, density, ownership, affordability, anti-displacement, environmental, infrastructure, and objective-standard requirements.
- 9) Limits eligible subdivision sites to those zoned for multifamily residential use or certain underutilized single-family residential sites, and excludes sites where SB 79 transit-oriented housing would be allowed, mobilehome/RV/special occupancy park sites, and (for rural and suburban areas) sites that are not infill.
- 10) Allows newly created parcels for townhomes to be as small as 600 square feet and prohibits local parcel-size, width, depth, frontage, or dimension requirements beyond that minimum.

- 11) Allows townhome units to be structured as fee-simple lots, common interest developments, limited-equity housing cooperatives, shared-equity/community land trust units, or tenancies in common.
- 12) Includes anti-displacement protections by barring use of the subdivision pathway where the project would require demolition of deed-restricted affordable housing, rent- or price-controlled housing, rent or price-controlled housing occupied by tenants within the last five years, or property withdrawn under the Ellis Act within the prior 15 years.
- 13) Requires projects of 11 or more units to comply with applicable local inclusionary housing requirements, and requires a 45-year affordability restriction for townhomes developed if the parcel is identified for lower-income Regional Housing Needs Allocation (RHNA) capacity.
- 14) Excludes numerous sensitive or hazardous sites from townhome eligibility under this bill, including prime farmland, wetlands, high or very high fire hazard severity zones, hazardous waste sites, earthquake fault zones unless building-code compliant, flood hazard areas unless specified federal criteria are met, conservation lands, protected-species habitat, and conservation easements.
- 15) Provides that local agency approval of a townhome development project under this bill is not a project under CEQA, and that local ordinances implementing this bill are also not projects under CEQA.
- 16) Provides that a local agency is not required to allow both an SB 9 lot split and this bill's townhome subdivision provisions on the same parcel.
- 17) 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, adjusted annually for inflation.
- 18) Exempts the City and County of San Francisco from this bill's provisions.

## COMMENTS

*California's Housing Crisis:* California's housing crisis is a half-century in the making. After decades of underproduction, supply is far behind demand, and housing costs are soaring. One in three households in the state doesn't earn enough money to meet their basic needs. HCD determined that California must plan for more than 2.5 million new homes, and at least one million must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. Increasing the overall supply of housing, both market-rate and deed-restricted affordable, is essential to reducing upward pressure on rents and home prices, and to creating a more stable, accessible housing market for Californians across income levels.

*Affording the California Dream:* In January 2026, the UC Berkeley Center for Law, Energy & the Environment (CLEE) released a report titled *Affording the California Dream: Optimal Locations and Product Types to Increase Home Ownership Opportunities*.<sup>1</sup> The report evaluates how both housing location and product type affect the total cost of homeownership in California,

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<sup>1</sup> <https://www.law.berkeley.edu/research/cee/research/land-use/affordingcadream/>

using case studies. The report takes a "full cost" approach to homeownership cost and household affordability, incorporating not only home purchase price but also ongoing carrying costs (e.g., property taxes, insurance, utilities, and special taxes) and household transportation costs. It finds that development patterns play a significant role in shaping these costs, particularly due to differences in infrastructure needs and travel behavior in exurban versus urban locations.

Across all case study geographies, the report finds that single-family attached housing (e.g., townhomes) in existing urban areas consistently represents the lowest-cost homeownership option. On an annual basis, these units are approximately 30% less expensive than single-family detached homes in exurban areas and about 18% less expensive than detached homes in urban areas. While attached housing can have higher per-square-foot construction costs, its smaller size, reduced land requirements, and lower infrastructure and transportation costs result in lower total costs to households. By contrast, exurban development, while sometimes associated with lower land costs, often results in higher total homeownership costs due to increased infrastructure expenses (including ongoing special taxes) and significantly higher transportation costs for the future residents of these communities.

*This Bill:* This bill creates the Act, establishing a new, streamlined, ministerial approval pathway for qualifying townhome housing development projects. A qualifying project must consist entirely of townhomes and meet at least 75% of the applicable "Mullin density" established in Housing Element Law. In doing so, this bill seeks to promote homeownership opportunities throughout the state, particularly "starter-home" ownership opportunities.

This bill authorizes a development proponent to submit an application for a qualifying townhome project, including land use and zoning approvals and subdivision, building, grading, and other permits, which a local agency must review ministerially, without discretionary action or a public hearing, if the project meets specified objective standards. This bill allows local agencies to apply objective zoning, subdivision, and design standards, but prohibits standards that would physically preclude qualifying projects, impose requirements solely because a project uses the Act, or require enclosed or covered parking where otherwise prohibited by law. This bill also authorizes multiple ownership structures, including fee-simple lots, common interest developments, tenancy-in-common arrangements, limited-equity cooperatives, and shared-equity community land trust models. This bill also applies applicable HAA and PSA approval procedures, requirements, and timelines to qualifying projects.

This bill further establishes a ministerial subdivision process for qualifying townhome developments on multifamily-zoned sites and certain underutilized single-family sites, subject to detailed eligibility criteria. These include a minimum parcel size of 600 square feet, numerous environmental and hazard-based exclusions, public water and sewer service requirements, and tenant and anti-displacement protections, including prohibitions on demolishing deed-restricted affordable housing, rent-controlled housing, or Ellis Act properties. In rural and suburban areas, the proposed townhome development must be an infill development (surrounded on three sides) in order to be eligible for this bill's provisions. This bill does not apply to the City and County of San Francisco.

In addition, this bill limits certain local subdivision requirements, generally prohibits local agencies from requiring the formation of homeowners' associations, and restricts the sale or financing of subdivided parcels until residential units are constructed, subject to specified

exceptions. This bill provides that approvals under the Act, and local ordinances implementing the Act, are not projects under California Environmental Quality Act (CEQA).

Finally, this bill requires construction workers employed on projects utilizing the Act to be paid a minimum wage of \$28 per hour, adjusted annually by the California Department of Industrial Relations (DIR) based on the U.S. Consumer Price Index. This bill also authorizes joint labor-management cooperation committees established under federal law to bring civil actions to enforce specified labor and contractor licensing requirements on projects utilizing the Act, and requires courts to award prevailing committees reasonable attorney's fees and costs.

### **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. I have four young adults who are trying to embark on this journey of home ownership themselves. Yet, the market is almost making it impossible to find a viable path towards this pillar of ownership every adult should have. The evidence is clear, while detached single family units become more expensive, townhomes offer a feasible path forward. AB 1751, the Missing Middle Townhome Ownership Act removes red tape that has made developing these projects so arduous. By establishing a ministerial approval process for townhomes that meet certain standards that protect housing equity, AB 1751 chooses people over politics protecting existing adorable housing strategies while unlocking the potential for new ownership opportunities. It is time to provide the 'missing middle' with a key to their own front door and towards a greater future."

### **Arguments in Support**

This bill is supported by housing advocates, home builders, local chambers of commerce, the California Conference of Carpenters, and other local business interests. The New California Coalition, the bill sponsor, writes in support: "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."

### **Arguments in Opposition**

This bill is opposed by certain local governments and organizations representing them, such as the California Contract Cities Association, which asserts that this bill "undermines local jurisdictions' authority over land-use decisions" and "not only limits a city's ability to ensure that such projects align with general plans and community standards, but it also eliminates the opportunity to consider unanticipated planning issues that could arise and are specific to a city's unique characteristics."

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

**FISCAL COMMENTS**

- 1) HCD does not attribute direct costs to this 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.

**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 LOCAL GOVERNMENT: 7-0-3**

**YES:** Carrillo, Johnson, Pacheco, Ramos, Ransom, Blanca Rubio, Ward

**ABS, ABST OR NV:** Ta, Stefani, Wilson

**ASM APPROPRIATIONS: 11-0-4**

**YES:** Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

**ABS, ABST OR NV:** Hoover, Dixon, Ta, Tangipa

**UPDATED**

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