

THIRD READING

Bill No: AB 1751
Author: Quirk-Silva (D) and Wicks (D)
Amended: 8/21/26 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 10-0, 6/24/26
AYES: Arreguín, Seyarto, Cabaldon, Caballero, Cortese, Durazo, Gonzalez,
Grayson, Ochoa Bogh, Padilla

SENATE LOCAL GOVERNMENT COMMITTEE: 6-0, 7/1/26
AYES: Durazo, Arreguín, Ashby, Cervantes, Laird, Seyarto
NO VOTE RECORDED: Choi

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 47-0, 5/21/26 - See last page for vote

SUBJECT: Missing Middle Townhome Ownership Act

SOURCE: Author

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

Senate Floor Amendments of 8/21/26 modify the sites exclusion to exclude sites zoned with a minimum density of 50 units per acre.

ANALYSIS:

Existing law:

- 1) Establishes, pursuant to SB 79 (Weiner, Chapter 512, Statutes of 2025), that a housing development within a specified distance of a transit stop in a

residential, mixed-use, or commercial zone shall be entitled to specified development standards, including increased height, floor area ratio, and density.

- 2) Establishes, the Starter Home Revitalization Act (SHRA) pursuant to SB 684 (Caballero, Chapter 783, Statutes of 2023), and SB 1123 (Caballero, Chapter 294, Statutes of 2024), which creates a ministerial process for the subdivision of a lot zoned for multifamily development, or lots that are vacant and zoned for single-family residential development, to develop up to 10 residential units.
- 3) Requires, pursuant to SB 9 (Atkins, Chapter 161, Statutes of 2021), the streamlined and ministerial approval by a local agency of a duplex in a single-family zone, and the urban lot split of a parcel zoned for residential uses into two parcels.
- 4) Establishes, pursuant to state Accessory Dwelling Unit (ADU) Law, uniform statewide standards that compel every California jurisdiction to ministerially approve ADUs and Junior ADUs (JADUs) on residential lots, by establishing statewide planning standards and review shot clocks, and limiting local discretion. Single-family lots can now have up to three ADUs: one interior or conversion ADU, one detached ADU, and one JADU. Multifamily properties must allow at least one ADU within existing non-livable space (or up to 25 % of the number of existing units), two detached ADUs for new construction projects, and up to eight detached ADUs for existing multifamily buildings, so long as the total number of ADUs do not exceed the number of existing units.
- 5) Establishes, pursuant to SB 35 (Weiner, Chapter 366, Statutes of 2017)/SB 423 (Wiener, Chapter 778, Statutes of 2023), a streamlined, ministerial approval process for certain infill multifamily affordable housing projects that are compliant with local zoning and objective standards and that are proposed in local jurisdictions that have not met their regional housing needs allocation (RHNA).
- 6) Establishes, pursuant to AB 2011 (Wicks, Chapter 647, Statutes of 2022), a streamlined, ministerial approval process, not subject to the California Environmental Quality Act (CEQA), for certain infill multifamily affordable housing projects that are located on land that is zoned for retail, office, or parking.
- 7) Establishes, pursuant to SB 6 (Caballero, Chapter 659, Statutes of 2022), the Middle Class Housing Act of 2022, allowing residential uses on commercially zoned property without requiring a rezoning.

- 8) Establishes the Permit Streamlining Act (PSA), which, among other things, establishes time limits within which state and local government agencies must either approve or disapprove permits to entitle a development.
- 9) Establishes standards and requirements for local agencies to review post-entitlement phase permits, including time limits within which local agencies must either approve or disapprove these permits.
- 10) Establishes the Housing Accountability Act (HAA), which establishes requirements for a local agency to approve or disapprove an application for a housing development project, as specified.
- 11) Establishes the Subdivision Map Act, which governs subdivisions of land, establishes requirements for the mapping of subdivided lands, and establishes requirements for recordation of land maps.

This bill:

- 1) Establishes the Missing Middle Townhome Ownership Act, which creates a ministerial approval pathway for qualifying townhome housing development projects and related subdivision maps, and defines the following terms:
 - 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 no more than the minimum fire separation distance set forth in the Building Standards Code.
 - b) “Townhome development project” as a housing development consisting entirely of townhomes that satisfies all of the following:
 - i) The average total area of floorspace for the proposed townhomes does not exceed 1,750 net habitable square feet, as specified.
 - ii) The project will meet at least 75% of the applicable Mullin density under Housing Element Law.
 - iii) The project contains no more than 150 units.
 - iv) For projects that include 11 or more units dedicate at least 10% of the total units to lower income households, as specified, or the level specified in an applicable local inclusionary requirement, whichever is higher.
- 2) Requires local agencies to consider qualifying townhome development applications ministerially, without discretionary review or a hearing.

- 3) Allows local agencies to apply objective general plan, zoning, subdivision, and design standards, but prohibits standards that would
 - a) Physically preclude the project from meeting the required density;
 - b) Impose special requirements because the project seeks approval under the provisions created by this bill; or,
 - c) Require covered/enclosed parking where otherwise prohibited or restricted.
- 4) 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.
- 5) 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.
- 6) Limits eligible subdivision sites to those zoned for multifamily residential use or certain underutilized single-family residential sites, and excludes the following sites:
 - a) Sites eligible for SB 79 upzoning;
 - b) Sites for mobilehome/RV/special occupancy parks;
 - c) Sites in non-urban areas that are not infill, as defined;
 - d) Sites that are historic, as specified and
 - e) Sites that are identified to accommodate any portion of a jurisdiction's share of the regional need for low-income or very low-income households.
 - f) Sites that are zoned with a minimum density of 50 units per acre, or more.
- 7) 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.
- 8) 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.

- 9) Includes anti-displacement protections that exclude sites that contained five or more units five years prior to the date of the application, and bars subdivisions that 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.
- 10) 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 insurance criteria are met, conservation lands, protected-species habitat, and conservation easements.
- 11) Requires local agencies reviewing a project application to enter into a tribal consultation process, as specified.
- 12) Provides that local agency approval of a townhome development project under this bill is not a project under CEQA, and that the adoption of a local ordinance implementing this bill is also not a project under CEQA.
- 13) 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.
- 14) Exempts the City and County of San Francisco from this bill's provisions.

Background

Legislative Efforts to Create More Starter Homes. In recent years, the Legislature has passed measures to streamline and simplify the process to subdivide existing residential properties and to build smaller starter homes. These efforts include:

SB 9 (Atkins, Chapter 162, Statutes of 2021). SB 9, allowed up to four homes on lots where currently only one exists. It did so by allowing existing single-family homes to be converted into duplexes. It also allowed single-family parcels to be subdivided into two lots, while allowing for two units to be constructed on the newly formed lot. Under SB 9, the total number of units that can be built on a formerly single-family zoned lot is capped at four. Under existing law, ADUs may be built in combination with SB 9 so long as the total number of units on a lot does not exceed four. Property owners may use both SB 9 and ADU Law to achieve the maximum allowed density in a configuration that best suits their site and circumstances. SB 9 explicitly prohibits the owner of the parcel being subdivided from also subdividing the adjacent parcels under SB 9 in order to limit its

applicability to a two-lot, four-unit cap. The intent of the law is to allow “gentle” density increases in existing neighborhoods.

SB 684 (Caballero, Chapter 783, Statutes of 2023), and SB 1123 (Caballero, Chapter 294, Statutes of 2024). The SHRA established a streamlined, ministerial pathway for small-scale housing development on subdivided lots. Specifically, these laws require local agencies to ministerially approve qualifying subdivisions of up to 10 parcels and associated housing development projects of up to 10 units on lots zoned for multifamily or on lots that are vacant and zoned for single-family residential developments. SB 684/1123 projects are required to meet specified objective standards related to site eligibility, density, environmental factors, and affordability (if it is located on a site identified for lower-income housing in the most recent housing element). The SHRA limits local discretion to objective zoning, subdivision, and design standards, prohibit standards that would physically preclude development at required densities, and imposes firm timelines for approval. Together, these provisions are intended to facilitate “missing middle” housing by enabling smaller, by-right projects in urbanized areas.

Comments

- 1) *Author’s statement.* “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.”
- 2) *Streamlining Townhomes.* Beginning in 2023, the Legislature embarked on a series of efforts to streamline the development of starter homes on infill parcels (largely understood to be townhomes) through the adoption of the SHRA. This effort began with SB 684 (Caballero, Chapter 783, Statutes of 2023). SB 684

included a delayed implementation date to allow local agencies to adapt to the new requirements and to provide time for the legislature to finetune critical details based on feedback from practioners determining how to implement the new statutory provisions in the real world. This approach yielded a comprehensive and iterative amendment process over several legislative sessions. The original legislation was expanded and revised by SB 1123 (Caballero, Chapter 294 Statutes of 2024), and was further refined in the State budget last year (AB 130, Committee on Budget, Chapter 22, Statutes of 2025). These efforts collectively led to the first groundbreaking ceremony for an SHRA townhome development in March of this year, approximately 18 months after the original bill took effect. This bill replicates key aspects of the SHRA designed to spur development of townhomes and expands upon them.

- 3) *Affordability*. The state has taken steps over the years to create housing affordable to the middle class through streamlining efforts designed to add “gentle density” to developed areas. These efforts, streamline the approval of small infill projects that add 1-10 units on developed and undeveloped parcels in cities and counties. Other streamlining bills such as SB 35 (Weiner), and AB 2011(Wicks) that require local agencies to ministerially approve large multifamily projects are similarly limited to infill parcels. Legislation streamlining these larger projects creates an indirect regulatory subsidy for developers. Specifically, these efforts statutorily unlock and increase land value for developers by making previously undevelopable lots eligible for a range development and significantly reducing the overall time and cost to develop housing. The state preserves the value of this regulatory subsidy in the same manner that it captures the value of a direct financial subsidy, by requiring developers to deed restrict a portion of the units in a project with an affordable rent or sales price.

Measures that limit streamlining to relatively small projects (*e.g., ADUs and Duplexes*) do not typically include affordability requirements as the relative value conferred on developers through those streamlining measures is small. Measures that allow larger projects with more than 10 units include affordability requirements that are scaled according to the benefit created for the developer. For example, SB 35 (Weiner) projects must dedicate 10%, 20%, or 50% of the units in a development to affordable housing depending on the jurisdiction that the project is located in. AB 2011(Wicks) projects must dedicate either 12%, 15%, or 30% of units in a development to affordable housing (depending on the depth and mix of affordability for the units). For large- and small-scale streamlining measures alike, the benefits of streamlining are typically limited to infill sites.

This bill continues this paradigm by requiring streamlined townhome projects that include more than 11 units to meet specified affordability requirements.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 8/20/26)

Aia California

Bay Area Council

Bizfed LA

Calasian Chamber of Commerce

California Business Roundtable

California Conference of Carpenters

California Multicultural Business Alliance

California State University, Sacramento

Circulate San Diego

Civic Steward

East Bay Leadership Council

Fieldstead and Company, INC.

Fresno Business Council

Fresno County Economic Development Corporation

Fresno Stewardship Foundation

Greater Ontario Business Council

Greater Sacramento Economic Council

Habitat for Humanity California

Hispanic Chambers of Commerce of San Francisco & Latin American &

Caribbean Business Chamber of Commerce

Hope the Mission

Napa Chamber of Commerce

New California Coalition

North Bay Leadership Council

Sacramento Metropolitan Chamber of Commerce

San Diego Regional Chamber of Commerce

San Francisco Filipino American Chamber of Commerce

San Joaquin Valley Manufacturing Alliance

Santa Barbara South Coast Chamber of Commerce

Santa Clarita Valley Chamber of Commerce

Sierra Business Council

The Grupe Company

The Two Hundred for Homeownership

Veterans in Business Network

West Ventura County Business Alliance
Western Region United Airlines
Zillow Group

OPPOSITION: (Verified 8/20/26)

California Cities for Local Control
California Contract Cities Association
City of Artesia
City of Beverly Hills
City of Cupertino
City of Garden Grove
City of Hemet
City of Hesperia
City of Lafayette
City of Lakewood CA
City of Los Alamitos
City of Mission Viejo
City of Montclair
City of Morgan Hill
City of Murrieta
City of Newport Beach
City of Norwalk
City of Orange
City of Palm Desert
City of Redondo Beach
City of Thousand Oaks
City of Vacaville
City of Visalia
City of Vista
City of Yorba Linda
Equitable Land Use Alliance (ELUA)
League of California Cities
Neighbors for a Better San Diego
Rural County Representatives of California
Save Lafayette
Town of Apple Valley

ASSEMBLY FLOOR: 47-0, 5/21/26

AYES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bennett, Berman,
Bonta, Bryan, Carrillo, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel,

Jeff Gonzalez, Hadwick, Harabedian, Hoover, Irwin, Jackson, Johnson, Krell, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Pacheco, Papan, Patel, Patterson, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Blanca Rubio, Soria, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Rivas

NO VOTE RECORDED: Addis, Arambula, Bains, Bauer-Kahan, Boerner, Calderon, Caloza, Castillo, Chen, Connolly, Davies, Gallagher, Garcia, Gipson, Mark González, Haney, Hart, Kalra, Lackey, Muratsuchi, Ortega, Pellerin, Ramos, Celeste Rodriguez, Rogers, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ta, Zbur

Prepared by: Hank Brady / HOUSING / (916) 651-4124
8/24/26 10:43:29

**** **END** ****