CONCURRENCE IN SENATE AMENDMENTS
AB 1751 (Quirk-Silva and Wicks)
As Amended August 21, 2026
Majority vote

SUMMARY

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

Senate Amendments

1) Define a "townhome development project" as a housing development project consisting entirely of residential units that satisfy the definition of townhome, as well as meeting all of the following:

   a) The average total area of floorspace for proposed townhomes in a townhome development project to be 1,750 net habitable square feet;

   b) It has no more than 150 total units;

   c) It meets 75% of the density standard in Housing Element Law; and

   d) At least 10% of the total units are dedicated to lower income households.

2) Allow a local agency to require the construction or dedication of any improvements, facilities, infrastructure, or rights-of-way necessary for the townhome development project to be consistent with the local agency's general plan.

3) Require a local agency to follow the tribal consultation procedures described in subdivision (b) of Section 21080.66 of the Public Resources Code.

4) Provide that nothing in this bill shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act.

5) Provide that a "townhome" can be separated from one or more neighboring units by no more than the minimum fire separation distance as set forth in the building standards for residential buildings in the California Building Standards Code.

6) Amends the "infill" provisions of the bill by requiring the lot to be located on an infill site if it is not located in an urban area, as defined by the U.S. Census Bureau.

7) Prohibits the provisions of this bill from being used to demolish or alter:

   a) Housing that is subject to a recorded covenant, ordinance, or law that restricts rent to levels affordable to persons and families of low, very low, or extremely low income;

   b) Housing that is subject to any form of rent or price control through a local public entity's valid exercise of its police power;

c) Housing occupied by tenants and subject to rent or price control within the five years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the submission of the application for a development permit;

d) A parcel on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application; and

e) A parcel that contained five or more units within the five years preceding the date of the application.

8) Prohibit the use of the bill on either of the following:

a) A contributing structure within a historic district included on the State Historic Resources Inventory, or a historic property or district pursuant to a city or county ordinance; or

b) A parcel individually listed as a historical resource included in the State Historic Resources Inventory, or within a property individually designated or listed as a city or county landmark under a city or county ordinance.

9) Provide that if the local zoning applicable to the parcel establishes a minimum residential density, the minimum residential density, including the lower end of an applicable residential density range, is no more than 50 units per acre.

10) Requires all townhome development projects to comply with applicable objective general plan standards.

11) Remove the labor standards from the bill.

12) Remove the prohibition of using this bill on a site located within a single-family residential horsekeeping zone designated in a master plan, adopted before January 1, 1994.

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*.[1] The report evaluates how both housing location and product type affect the total cost of homeownership in California,

[1] https://www.law.berkeley.edu/research/clee/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 Missing Middle Townhome Ownership Act, establishing a ministerial approval and subdivision process for qualifying townhome developments. Eligible projects must consist entirely of townhomes, contain no more than 150 units, average no more than 1,750 square feet per unit, and achieve at least 75% of the applicable "Mullin density." Projects with 11 or more units must provide at least 10% of units affordable to lower-income households for 45 years.

This bill allows local agencies to apply objective standards but limits requirements that would physically preclude qualifying projects. It also establishes site eligibility, anti-displacement, environmental and hazard exclusions, minimum parcel size, water and sewer, and other requirements for ministerial subdivision approval. This bill prohibits requiring an HOA for new townhome developments, restricts the separate sale or financing of newly created parcels before homes are constructed, provides specified California Environmental Quality Act (CEQA) exemptions, and does not apply to the City and County of San Francisco.

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

The New California Coalition (NCC), the bill sponsor, writes in support: "AB 1751 addresses a key component in this affordability gap by focusing on townhome developments on sites zoned for multi-family and single-family housing. Townhomes are one of the few homeownership products that are affordable to first-time homebuyers, insurable, and financeable for builders. This makes the townhome model attractive and achievable if there are les obstacles and sufficient sites available.

How do we know if AB 1751 will work? NCC retained the consulting firm Mapcraft, who reviewed the potential for building more townhomes under AB 1751. Utilizing a sophisticated four-step "pencil-out" modeling approach across roughly 11.5 million parcels in California, approximately 9.0 million permit residential uses, but only 1.5 million currently allow townhomes. Mapcraft concluded that an additional 800,000 parcels would become eligible for townhome development under AB 1751. As a result, the total amount of townhome-eligible sites in California would increase to 2.3 million which is a 60% total increase. Perhaps most importantly, the greatest volume of newly enabled units would be affordable to households making 150% to 250% of the Area Median Income (AMI)."

Arguments in Opposition

The League of California Cities writes in opposition: "AB 1751 bypasses the state-mandated local planning effort and forces cities to approve all maps for a townhome development project, even if it would exceed the residential capacity and infrastructure assumptions evaluated and certified by the state, creating potential unintended consequences for infrastructure and public services. AB 1751 disregards state-approved housing plans and zoning requirements, despite the multi-year effort to identify sites suitable for new housing development in coordination with smart residential growth.

Additionally, the measure may require a city to approve a townhome development at a lower density than the amount of planned density in that multifamily zone. Specifically, AB 1751 allows projects that are three stories or fewer and meet at least 75% of the state's minimum density standards to qualify for by-right approval. In jurisdictions that planned for higher densities on specific sites, this could result in fewer units being built than planned for, requiring cities to identify additional sites to remain compliant with state Housing Element Law and "no net loss" requirements."

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

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 Department of Industrial Relations (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.

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

ASSEMBLY FLOOR: 47-0-33
YES: 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
ABS, ABST OR NV: 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

UPDATED

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