"We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history."

Planning Commission Memorandum

Meeting Date: November 17, 2026
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SUBJECT: Summary of AB 1751: Missing Middle Townhome Ownership Act

This memo provides a concise summary of California's Assembly Bill 1751 (AB 1751) which implements new streamlining process for specific townhome developments to inform the Planning Commission's approach to land use planning and project reviews, ensuring compliance with state law.

Assembly Bill 1751 (AB 1751) – Missing Middle Townhome Ownership Act

Enacted: 2026
Purpose: AB 1751 established a ministerial, by-right approval pathway for townhome[1] developments of up to 150 units. This process eliminates CEQA review with the goal of creating new opportunities for attainable homeownership in California.
Key Requirements:

- Applicability:
  - Each unit *must not* be more than 3 stories
  - Unit *must* share a common wall with other units one or two sides
  - Project *must* have at least 75% of the Mullin Density[2]
  - Whole project *must* consist of a maximum of 150 units
  - Average floorspace across all units *cannot* exceed 1750 sq. ft.
  - Project meets an i*nclusionary requirement reserving 10 percent of units* at affordable housing cost, secured by 45-year affordability covenants, unless a stricter local inclusionary housing requirement applies or the project proposes less than 11 units.
  - Applied to both multifamily residential zoned parcels and underutilized single-family zones

[1]The act would define "townhome" for these purposes to mean a single-family dwelling unit that is less than or equal to 3 stories of occupiable square footage and either shares a common wall, as specified, or is separated from one or more neighboring units by no more than a specified fire separation distance, and would define "townhome development project" to mean a housing development project that consists entirely of residential units that satisfy this definition of townhome and meets prescribed density requirements, size requirements, and unit limits.
[2] These default densities—sometimes known as "Mullin densities" after the name of the author of the bill that enacted them—vary by the community type, ranging from 10 units per acre for an unincorporated area in a nonmetropolitan county, to 30 units per acre in a metropolitan jurisdiction. HCD default densities for jurisdictions: Default Density Standard Option – 2010 Census Update

        - Sites zoned for single-family use either 1) do not contain permanent residential structures or 2) contain only abandoned or uninhabitable residential structures.
- Exclusions:
    - City and County of San Francisco or supersede the Coastal Act
    - Sites eligible for SB 79 TODs[3]
    - Sites in single-family residential zones subject to affordability covenants or rent control
    - Sites with a minimum residential density above 50 dwelling units per acre
    - Sites with existing mobile home and recreational vehicle parks, historic resources, five or more housing units, homes subject to affordability covenants or rent control that would require demolition, homes that were subject to the Ellis Act within the past 15 years and Housing Element sites designated for lower-income units
    - May *not* be used on sites with the following: prime farmland, wetlands, habitat for protected species, conservation easement or designation as conservation property, high or very high fire hazard severity zones, or parcels that contribute to a historic district
- It is optional for the city to implement a local ordinance
- Denial or Disapproval of projects is narrow:
    - If the local agency makes written findings, supported by a preponderance of the evidence, the project will create a specific, adverse impact on public health and safety for which there is no feasible method of mitigation
- There are no mandated labor requirements

Local Agency Implementation & Map Requirements:

- The developer must continue with the local agency's established processes
- If proposing a subdivision site, it must satisfy the previously stated criteria and ensure it is not in any of the specified exclusions.
- It should be noted that the project is subject to the 60-day Permit Streamlining Act's approval shot-clock for ministerial projects
- Local agencies retain the authority to impose objective general plan, zoning, subdivision and design standards that do not conflict with AB 1751. However, the specified requirement of the bill is that newly created parcels are no smaller than 600 sq. ft.
    - Local agencies are unable to impose standards that would preclude development at the statutorily authorize density or other methods that would apply solely.
- If all the procedural requirements, development and objective planning standards are satisfied, the local agency is required to ministerially consider the project, *without* discretionary review or a hearing or CEQA review.

[3] Senate Bill (SB) 79 makes qualifying "transit-oriented housing developments" (TOD) an allowed use on sites zoned for residential, mixed, or commercial development that are located near specified transit stops in urban transit counties.

- These projects are eligible for SB 330 protections, which means that once a developer submits a preliminary application, all local development fees and other applicable legal requirements are locked in.
- Tribal consultation[4] is required

Unit Ownership & Financing Structures:

- The housing unit may be constructed on:
  - A fee simple ownership lot
  - Part of a common interest development (CIDs)
  - Part of a Limited-Equity Housing Cooperative
  - On land owned by a Community Land Trust/Nonprofit with shared-equity transactions
  - Part of Tenancy-in-common arrangements
- There is no mandatory formation of an HOA
- Individual parcels in the project may not be sold *until* each parcel contains a complete residential structure
  - Local ordinance may waive these restrictions

Outcome: AB 1751 is meant to make meaningful steps forward in creating attainable homeownership opportunities for Californians. This bill focuses on the "missing middle" market – families with incomes too high for subsidized affordable housing but too modest for conventional single-family home purchases. With flexible site design, project scale, options for single-family zone parcels, and faster entitlements through ministerial approval pathway it tackles California's housing goals.

Conclusion

Housing remains one of the legislature's top priorities, and AB 1751 is part of a broader housing homelessness legislation package. AB 1751 may be one of California's most consequential housing streamlining laws with the potential to unlock development across thousands of parcels and expand the supply of attainable, for-sale housing. It is critical that the Planning Commission stay informed about such housing bills as they may be utilized in our area in the future.

ATTACHMENTS

A. Assembly Bill 1751

INCORPORATED BY REFERENCE

City of Placerville City Code
California Environmental Quality Act (CEQA)

[4] A local government shall provide formal notification via certified mail and email to each California Native American tribe that is traditionally and culturally affiliated with the project site as an invitation to consult on the proposed project, its location, and the project's potential effects on tribal cultural resources pursuant to one of the following deadlines: