



1411 K Street N.W.  
Suite 900  
Washington, D.C. 20005  
202-525-5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

March 25, 2026

Assembly member Sharon Quirk-Silva  
1021 O Street  
Sacramento, CA 95814

Dear Assembly member Quirk-Silva,

My name is Steven Greenhut. I am Western region director for the R Street Institute, a free-market think tank that works on a variety of issues, including ones related to housing. The institute supports Assembly Bill 1751, which would provide streamlined ministerial approvals for townhomes to jumpstart the construction of “missing middle” housing.

It’s a sensible approach that would help address the state’s continuing housing shortages. We’re all aware of the state’s eye-popping median home price, which is now above \$820,000 statewide.<sup>1</sup> That figure only tells part of the story, as California has 11 counties with median home prices above \$1 million and two counties with median prices above \$2 million. The result is few younger people — even those with high salaries and large down payments — can afford to take the first step on the housing ladder.

As a result, a Public Policy Institute of California study found that 50% of California renters and 40% of California homeowners are “cost burdened,” as they pay more than 30% of their income on housing. “Californians are increasingly concerned about these issues, with more than a third saying they’ve considered leaving the state due to housing costs,” per PPIC.<sup>2</sup> High home prices also are a key driver for the state’s ongoing homelessness crisis.

The main reason for the crisis: California regulations and land-use controls impede the construction of sufficient new housing. A prime culprit is the California Environmental Quality Act (CEQA), although other culprits — urban-growth boundaries, excessive building fees, local slow-growth initiatives — also are to blame. In 2015, the Legislative Analyst’s Office argued<sup>3</sup> that the state was falling short by 100,000 units a year. Not much progress has been made since then. California still needs to build nearly double the units that developers build each year. In fact, a single metropolitan area, Dallas-Ft. Worth, permits more housing each year than our entire state.<sup>4</sup>

To its credit, the Legislature has passed multiple laws over the last several years that exempt certain projects from CEQA's ominous requirements, or at least streamline some of the law's hurdles. At the R Street Institute, we've strongly supported legislation including Senate Bill 423 and Senate Bills 9 and 10, as they reduce CEQA's burdens, albeit in a piecemeal matter. As a 2021 report in *Chapman Law Review* explains, "In 2020 alone ... CEQA lawsuits sought to block approximately 48,000 approved housing units statewide — just under half of the state's total housing production."<sup>5</sup>

Unfortunately, these and other landmark housing laws have not significantly increased the housing supply. A report from the pro-housing group, YIMBY Law, found the new laws, although praiseworthy, have had "limited to no impact on the state's housing supply."<sup>6</sup> The key reason is these CEQA-reform bills don't go far enough, as they apply mainly to multi-family and subsidized housing projects. However, California cannot create an adequate number of new houses without reducing regulations for market-rate housing, also. Most Californians prefer single-family housing.<sup>7</sup>

We appreciate that your bill targets the so-called "missing middle." As the National League of Cities explains, this term "refers to housing that provides diverse housing options along the spectrum of affordability, which includes duplexes, triplexes, fourplexes and bungalows."<sup>8</sup> Basically, the state has of late focused on building apartments and condos, but the individual units typically are small and cannot easily accommodate growing families. Developers also continue to build large suburban homes. We're missing smaller, more affordable homes in the middle.

We advocate for the construction of more housing of every type. However, many lawmakers and urban thinkers are concerned about urban sprawl. AB 1751 would not promote sprawling subdivisions, but would incentivize the opposite as it only applies to townhome projects at or above 75% of the Mullin default densities detailed in Assembly Bill 2348. It would encourage developers to build more walkable communities and construction on infill sites.

We would still like to see CEQA exemptions for smaller, non-attached housing, but this bill represents a significant step in the right direction. We therefore strongly support AB 1751.

Best regards,

*Steven Greenhut*

Steven Greenhut  
Western Region Director The  
R Street Institute  
sgreenhut@rstreet.org.  
(909) 260-9836

---

<sup>1</sup> Data & Statistics, California Association of Realtors, February 2025,  
<https://www.car.org/marketdata/data/countysalesactivity>

---

<sup>2</sup> Californians and the Housing Crisis, Public Policy Institute of California, Accessed April 7, 2025, <https://www.ppic.org/interactive/californians-and-the-housing-crisis/>

<sup>3</sup> California's High Housing Costs: Causes and Consequences," Legislative Analyst's Office, March 17, 2015, <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx>

<sup>4</sup> Kenneth Schrupp, "Why Dallas permits more housing than all of California," Free Cities Center/Pacific Research Institute, July 23, 2024, <https://www.pacificresearch.org/why-dallas-permits-more-housing-than-all-of-california/>

<sup>5</sup> Categorical Exemptions, Southern California Association of Governments, Accessed April 7, 2025, [https://scag.ca.gov/sites/default/files/old/file-attachments/ceqa\\_categorical\\_exemptions.pdf?1667860497](https://scag.ca.gov/sites/default/files/old/file-attachments/ceqa_categorical_exemptions.pdf?1667860497)  
Jennifer Hernandez, "In the Name of the Environment Part III: CEQA, Housing, and the Rule of Law," *Chapman Law Review*, 2022, [https://www.chapmanlawreview.com/wp-content/uploads/2023/05/clr\\_26-1-57hernandez.pdf](https://www.chapmanlawreview.com/wp-content/uploads/2023/05/clr_26-1-57hernandez.pdf)

<sup>6</sup> Ben Christopher, "'Limited to no impact': Why a pro-housing group says California's pro-housing laws aren't producing more," *CalMatters*, February 24, 2025, <https://calmatters.org/housing/2025/02/california-yimby-lawsassessment-report/>

<sup>7</sup> Dean Bonner, "Desire for Action on Housing Contrasts with How Californians Want to Live," Public Policy Institute of California, August 8, 2023, <https://www.ppic.org/blog/desire-for-action-on-housing-contrasts-with-how-californians-want-to-live/>

<sup>8</sup> Staff, "What is Missing Middle Housing?" National League of Cities, accessed March 24, 2026, <https://www.nlc.org/article/2024/01/23/what-is-missing-middle-housing/>