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**GUIDEBOOK**

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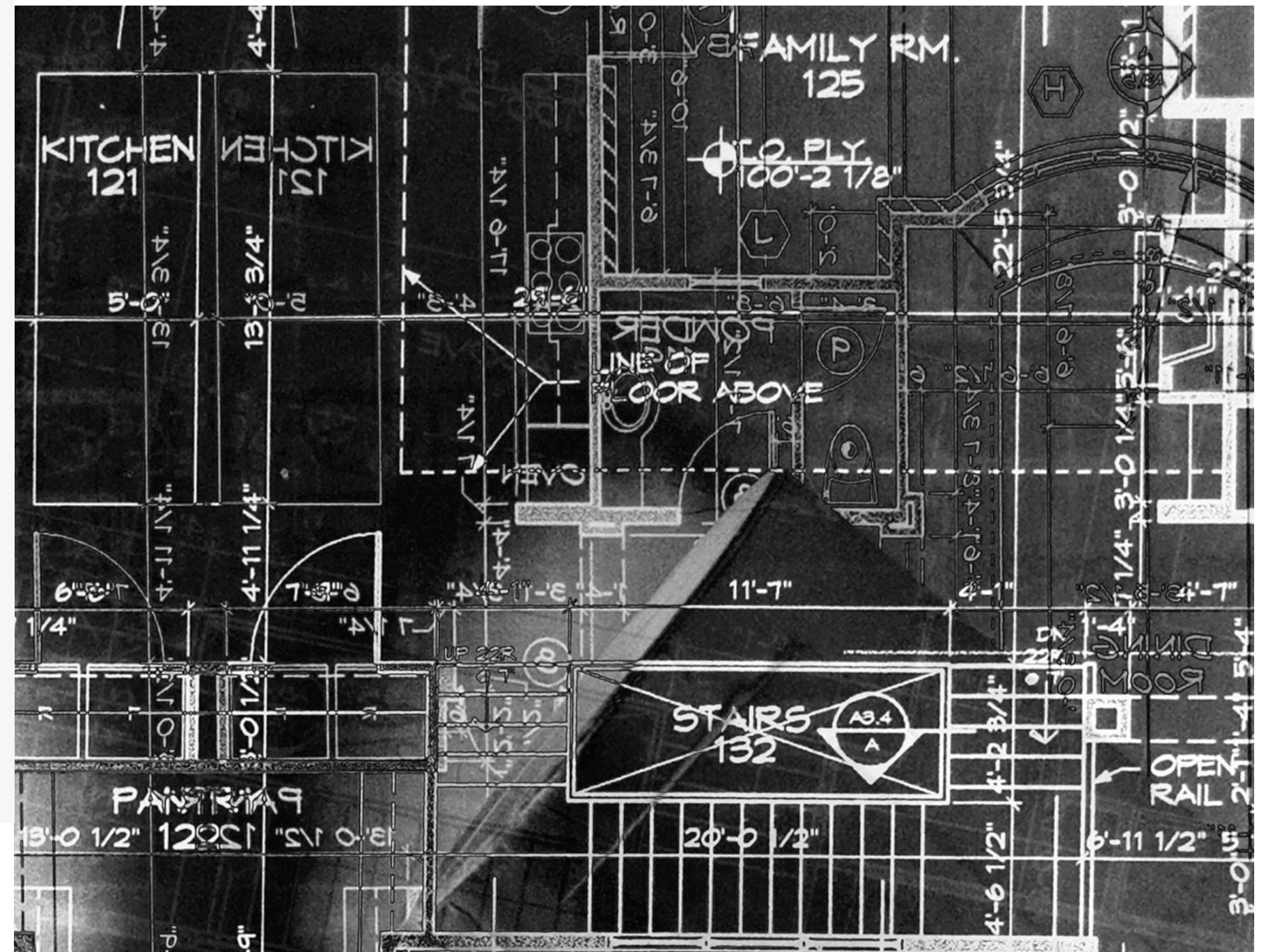




## MAXIMIZE THE VALUE AND RENTAL INCOME OF YOUR PROPERTY: A COMPREHENSIVE GUIDE TO SB 9 & SB 10 FOR HOMEOWNERS

This guidebook simplifies the intricacies of SB 9 and SB 10, presenting clear insights, practical recommendations, and answers to common questions. Whether you're contemplating a lot split, exploring the idea of adding units to your property or simply seeking to understand the changing landscape of California's housing market, this guidebook is an invaluable resource.

Presented by RHE Development, LLC, leaders in California's housing development, this guide underscores our dedication to empowering homeowners with knowledge and clarity. Dive in to discover the opportunities that await your property.

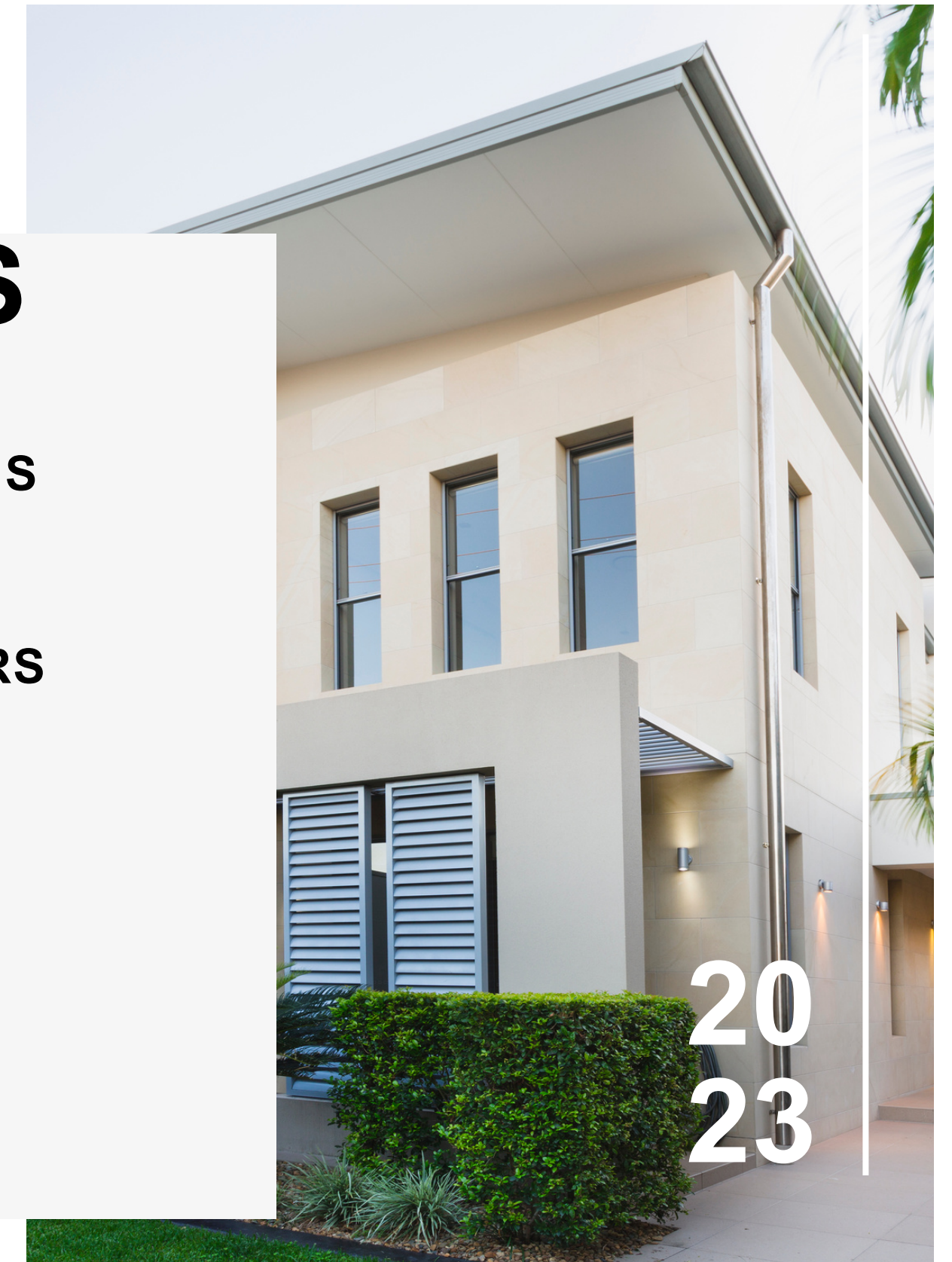


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## CHAPTER 1: SB 9 - EXPANDING RESIDENTIAL HOUSING OPTIONS

This guidebook simplifies the intricacies of SB 9 and SB 10, presenting clear insights, practical recommendations, and answers to common questions. Whether you're contemplating a lot split, exploring the idea of adding units to your property, or simply seeking to understand the changing landscape of California's housing market, this guidebook is an invaluable resource.

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## CHAPTER 1: SB 9 - EXPANDING RESIDENTIAL HOUSING OPTIONS (CONT)

Overview: Senate Bill 9 (SB 9) was introduced to address California's housing shortage by allowing homeowners to create additional housing units on their property. This legislation aims to promote urban infill, increase housing density, and provide more affordable housing options.







## CHAPTER 1: SB 9 - EXPANDING RESIDENTIAL HOUSING OPTIONS

### Key Provisions:

- **Lot Splitting:**  
Homeowners can subdivide their lots into two separate parcels. Each parcel can have up to two primary residences, allowing for a total of four units on the original lot.
- **Duplexes:**  
SB 9 permits homeowners to convert single-family lots into duplexes without a lot split. This provision makes it easier for homeowners to increase housing on their property without undergoing the subdivision process.
- **Affidavit Requirement:**  
Homeowners who wish to utilize SB 9 for lot splitting must sign an affidavit committing to live on the property for at least three years. This provision ensures that the bill benefits genuine residents rather than speculative developers.







## CHAPTER 1: SB 9 - EXPANDING RESIDENTIAL HOUSING OPTIONS

### Benefits:

- **Rental Opportunities:**  
By creating additional units, homeowners can generate rental income, helping them offset mortgage costs and other expenses.
- **Increased Property Value:**  
The ability to add more units can lead to an appreciation in property value, benefiting homeowners in the long run.
- **Affordable Housing:**  
By increasing the housing supply, SB 9 aims to make housing more affordable in high-demand areas.





## CHAPTER 1: SB 9 - EXPANDING RESIDENTIAL HOUSING OPTIONS

### Challenges and Considerations:

- **Local Ordinances:**  
While SB 9 sets state-wide standards, local municipalities might have specific regulations that homeowners need to consider. It's essential to consult local planning departments before making decisions.
- **Infrastructure Concerns:**  
Increasing housing density can strain local infrastructure, including roads, utilities, and public services. Homeowners should be aware of these implications.
- **Neighborhood Dynamics:**  
The introduction of additional housing units can change neighborhood dynamics, potentially leading to concerns from neighbors and community members.







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## CHAPTER 2: SB 10 - STREAMLINING URBAN ZONING

### Challenges and Considerations:

Overview: Senate Bill 10 (SB 10) is a transformative piece of legislation designed to streamline the process for cities to upzone areas close to transit and job centers. By allowing cities to bypass the lengthy environmental review process, SB 10 aims to promote higher-density housing in areas most suited for it.

### Key Provisions:

- **Zoning Changes:**  
SB 10 allows cities to rezone parcels for up to 10 units without undergoing the California Environmental Quality Act (CEQA) review, provided they are in a transit-rich area, in an urban infill site, or a jobs-rich area





## CHAPTER 2: SB 10 - STREAMLINING URBAN ZONING (CONT)

### Challenges and Considerations:

Overview: Senate Bill 10 (SB 10) is a transformative piece of legislation designed to streamline the process for cities to upzone areas close to transit and job centers. By allowing cities to bypass the lengthy environmental review process, SB 10 aims to promote higher-density housing in areas most suited for it.

### Key Provisions:

- **Local Control**  
While SB 10 provides a framework, it doesn't mandate cities to change their zoning. Instead, it offers them the tools to do so if they choose.
- **Affordable Housing:**  
Cities that adopt SB 10's provisions can require up to 25% of the units to be affordable to lower-income households.





## CHAPTER 2: SB 10 - STREAMLINING URBAN ZONING (CONT)

While SB 10 provides a framework, it doesn't mandate cities to change their zoning. Instead, it offers them the tools to do so if they choose.

- **Affordable Housing:**  
Cities that adopt SB 10's provisions can require up to 25% of the units to be affordable to lower-income households.

### **Benefits:**

- **Increased Housing Supply:**  
By making it easier to build multi-unit housing in transit and job-rich areas, SB 10 can significantly increase the housing supply in areas where it's most needed.
- **Environmental Benefits:**  
Promoting housing near transit and job centers can reduce car dependency, leading to fewer emissions and a reduced carbon footprint.
- **Economic Growth:**  
By allowing more people to live near job centers, SB 10 can boost local economies and reduce commute times.





## CHAPTER 2: SB 10 - STREAMLINING URBAN ZONING (CONT)

### Challenges and Considerations:

- Community Concerns:

Higher-density housing can change the character of neighborhoods, leading to concerns about congestion, parking, and infrastructure strain.

- Displacement Risks:

There are concerns that upzoning can lead to gentrification and displacement of long-term residents. Cities need to be mindful of these risks and consider protections for vulnerable populations.

- Local Resistance:

While SB 10 provides cities with tools to upzone, it's up to local governments to adopt these changes. There may be resistance from local communities or city councils





## Chapter 3: Implications of SB 9 & SB 10 for Homeowners

**Overview:** Both SB 9 and SB 10 have significant implications for homeowners in California. These bills aim to address the state's housing shortage by making it easier to build multi-unit housing. For homeowners, this means new opportunities but also new considerations.

### Key Implications:

- **Property Value Increase:**

With the ability to build additional units on a single-family lot (SB 9) or upzone for multi-unit housing (SB 10), homeowners may see an increase in their property's value due to its enhanced development potential.

- **Rental Income Potential:**

Homeowners can benefit from potential rental income by building ADUs or additional units on their property, providing a steady stream of passive income.

- **Flexible Housing Options:**

For multi-generational families, the ability to build additional units can provide housing for extended family members, allowing families to live close while maintaining separate spaces.





## CHAPTER 3: IMPLICATIONS OF SB 9 & SB 10 FOR HOMEOWNERS (CONT)

### Key Implications:

- **Financing Opportunities:**  
The potential for increased property value and rental income can open up new financing opportunities for homeowners, such as favorable mortgage refinancing terms or home equity loans.
- **Navigating Local Regulations:**  
While SB 9 and SB 10 provide a state-level framework, local municipalities may have their own specific regulations and processes. Homeowners will need to be aware of local requirements when considering development.
- **Tax Implications:**  
Developing additional units or subdividing property can have tax implications. It's essential for homeowners to consult with tax professionals to understand potential property tax changes or capital gains considerations





## CHAPTER 3: IMPLICATIONS OF SB 9 & SB 10 FOR HOMEOWNERS (CONT)

### Challenges and Considerations:

- **Cost of Development:**  
While there's potential for increased property value and rental income, homeowners need to consider the upfront costs of development, including construction, permitting, and potential infrastructure upgrades.
- **Neighborhood Dynamics:**  
Adding new units or higher-density housing can change the character of a neighborhood. Homeowners should consider how these changes align with their long-term vision for their property and community.
- **Long-term Commitment:**  
Developing property is a long-term commitment. Homeowners should consider their future plans, such as potential relocations or changes in family dynamics, before undertaking significant property developments.





## Chapter 4: Frequently Asked Questions (FAQs) for Homeowners

1. What exactly does SB 9 allow homeowners to do?
  - SB 9 primarily allows homeowners to split their lot and build up to two units on each split lot, effectively allowing for the development of four units on what was previously a single-family lot.
2. How does SB 10 differ from SB 9?
  - While SB 9 focuses on single-family lots, SB 10 allows local governments to upzone certain areas, permitting the construction of up to 10 residential units without undergoing the usual lengthy review process.
3. Can I build both an ADU and use SB 9 provisions on the same property?
  - Yes, homeowners can potentially build an ADU in addition to using SB 9 provisions, but specific configurations will depend on local regulations and the property's size.
4. Are there size restrictions for the units built under SB 9?
  - While there's no state-mandated size limit, local jurisdictions might impose their own restrictions. Typically, the size will be influenced by factors like lot size, local zoning, and other regulations.





## CHAPTER 4: FREQUENTLY ASKED QUESTIONS (FAQS) FOR HOMEOWNERS(CONT)

5. How will these new units impact my property taxes?

- Developing additional units can lead to a reassessment of your property's value, which might increase property taxes. However, specific tax implications vary, and homeowners should consult with a tax professional.

6. Can I sell the units I build separately?

- Under SB 9, once a lot is split, the homeowner can sell the units on each lot separately. However, there might be local regulations or covenants that affect the ability to sell.

7. What are the potential financing options for developing my property under these bills?

- Homeowners can explore traditional financing options like home equity loans, construction loans, or refinancing. Additionally, the increased value and rental potential of developed properties might open up favorable financing terms.

8. Are there design or aesthetic requirements for the new units?

- While the state bills don't impose design standards, local jurisdictions might have their own aesthetic or design guidelines that homeowners must adhere to.

9. How long does the approval process typically take?

- The approval process's duration can vary based on local regulations, the project's complexity, and other factors. However, SB 9 and SB 10 aim to streamline and expedite the approval process for eligible projects.

10. Can local governments override or opt out of SB 9 or SB 10?

- While local governments retain some control, they cannot entirely opt out of SB 9 or SB 10. They can, however, impose certain restrictions or guidelines that align with the bills' intent.





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RHE Development, LLC has been helping homeowners navigate these legislations with diligence and clarity. Their seasoned expertise, honed over years of assisting clients to navigate complex legislative frameworks and the multifaceted permitting process, ensures a comprehensive approach from feasibility to final construction. With a profound grasp of both the legislative nuances and the hands-on aspects of property development, RHE stands as a trusted ally for homeowners at every juncture of their property enhancement journey. From the initial consultation to the culmination of the project, RHE's commitment is to equip homeowners with the insights, resources, and steadfast support needed to fully realize their property's potential and value.

For a consultation with our California SB 9 specialists or any inquiries, please call our office at 888-853-3375, text us at (562) 244-8784 or email us at [info@rhedevelop.com](mailto:info@rhedevelop.com)



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