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What is SB9

and How Can Design-Build Help with this New Zoning Law?



Design-Build



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In September 2021, Governor Gavin Newsom signed three new bills into law -- all designed to help relieve the housing shortage in California.

Together, these include California Senate Bills (SB) 8, 9, and 10. These Bills hope to encourage the construction of new homes in California, increase residential density and improve the city zoning options for multi-family housing.

Today, we take a look at these new zoning laws -- and particularly what SB9 means for California homeowners. The Design-Build process is perfect for helping optimize your property with these new laws in mind. So let's get straight to work...

Why were the new California zoning laws introduced?

SB 8, 9, and 10 were all signed to improve California's housing shortage.

It's estimated California needs to produce 180,000 new homes per year to start solving the ongoing housing crisis.

Indeed, California accounts for a disproportionate 22% of the nation's homeless population. As reported by the LA Times, the median price of a single-family California home in August 2021 was \$828,000. This compares with the national median of roughly \$360,000. In the San Francisco Bay Area, this total jumped to a staggering \$1.3 million.

Homeownership rates are at their lowest since the 1940s and over a third of renters pay more than 50% of their income on rent.

The stakes are high for these new bills, which come into effect on January 1st, 2022. So it's worthwhile exploring them in a little more detail.



What's included in the new California zoning bills?



As we've seen, there are three Senate bills – **SB8 (Skinner)**, **SB9 (Atkins)**, and **SB10 (Weiner)**.

SB8

SB8 is largely a clean-up bill making the approvals process for housing projects simpler. It extends the Housing Crisis act of 2019 through to 2030 and limits local government's capacity to downzone.

SB10

SB10 is voluntary for cities. The proposed law makes it easier for local governments to upzone property for housing (especially near transit or urban infill areas) without the usual delays and litigation risks. This includes apartment complexes of up to ten units in present single-family neighborhoods.

Both of these bills are important in their own right, but of most relevance to individual homeowners is, by far, SB9.

With some commentators referring to this as “the end of single-family zoning” -- it's certainly a significant moment, met with its fair share of controversy. Let's take a closer look at SB 9 and what it means for homeowners in California.



SB9

An in-depth look at Senate Bill 9



SB9, otherwise known as the California Housing Opportunity and More Efficiency (HOME) Act, makes it easier for homeowners to subdivide their current residential lot and build a duplex, or two!

Dubbed the “duplex bill”, it means housing development projects (of no more than two dwelling units on a single-family zoned parcel) can be permitted on a ministerial basis. This

allows for the creation of up to four dwellings on a single plot when considering the ability to also build ADU(s) -- all without the usual (often time consuming!) discretionary reviews or hearings.

The bill only allows cities to veto such developments when there’s a tangible threat to public health and safety.

Which lots qualify for SB9?

To qualify for SB9, projects must be located within a city containing urbanized areas. If your home is within an unincorporated area, your lot must be within the boundaries of an urbanized area or urban cluster (as defined by the US census bureau).

There are specific types of housing exempted from these new laws. This includes (for instance) housing that has been tenant occupied in the last three years, projects within historic districts, or areas subject to rent control.

SB9 project requirements

If you're unsure whether your project falls under SB9, get in touch with your local planning department as well as a specialty Design-Build firm, like Letter Four.

To further qualify under SB9, developments can't demolish more than 25% of existing structural walls. The only exceptions to this rule are if the project has been expressly permitted by local ordinance or the building hasn't been tenant occupied in the last three years.

Each new parcel may not be smaller than 40% of the original lot size. In addition, each parcel must be at least 1,200 square feet in size, unless permitted by local ordinance.

With California's housing crisis in mind, developments must be strictly limited to residential use by the property owner. To prevent speculative investment, the law also specifies that applicants must intend to use one of the housing units as their main residence for at least three years after the date of approval. This is important because it prohibits developers from taking advantage of the bill for their financial benefit.

How Letter Four* can help California homeowners



The Letter Four Design-Build process is ideal for California homeowners who are looking to make changes to their property in response to the new zoning laws. This is because all aspects of project design and construction are managed by one team. With our proven “one-stop-shop” approach, projects are streamlined, with improved communication and reduced risks for homeowners.

Planning laws (especially those involving zoning changes) can sometimes be hard to interpret. If you’re new to the world of construction, it can be difficult to know where to start. Our expert team starts every project with a robust due diligence phase.

This involves meeting with clients to ascertain budget and goals -- so that any architectural plans presented are achievable given project goals and costs. We research city requirements (and much more!) at this early stage -- before moving on to conceptual designs and preliminary pricing. As the project progresses, we’ll also liaise with planning officials and design boards on your behalf.



With the design-build process working in harmony, you’ll know your plans are feasible not only for new zoning laws, but also timeframe and budget.

The Letter Four Design-Build Process

If you're wondering exactly how the Letter Four process works, there are nine main steps. These include:

01 Research and Due Diligence

Discussing timelines, budget, ambitions, city requirements (including zoning laws), and more.

02 Conceptual Design

Formation of floor plans, interior, and exterior features.

03 Preliminary Pricing

Based on your unique requirements, as well as data from past and current projects.

04 Schematic Design

Building on the conceptual design, giving a full and rounded picture of the project.

05 Design Development

Including technical documentation to coordinate with engineers and submit for plan check.

06 Construction Documents

Project documents are needed to finalize construction bids and to build the project; including details such as lighting and power plans.

07 Permitting and Approvals

We take on liaising with planning officials, departments, and design review boards on your behalf.

08 Interior Design

Selecting finishes and fixtures, budgeting, tracking orders, and installation.

09 Construction Admin

With seamless service from start to finish, we'll be out in the field ensuring your project is delivered as designed, on budget, and on schedule!

READY TO KICK-START YOUR PROJECT?



If you're interested in making changes to your property in light of new California zoning laws, Letter Four can help. We create unique, inspired spaces that consistently meet and exceed expectations.

Whether it's an extension to your dream home, a multi-family investment property, retail, or restaurant environment -- we're on hand to assist. Get in touch to give us insight into your project and get your free consultation scheduled.

**We are not lawyers nor real estate agents. Our goal is to educate and provide information so that the best decision can be made by California property owners.*
