SB 9 has numerous exceptions and limitations, though, that are designed to preserve rental and low-income housing, deter speculators, guard against displacement and retain local governments' control over design standards while also preventing local officials from adopting rules that undermine the law. These include:

- The zoning changes apply only to urban areas or urban clusters. Farms, wetlands, lots at high risk of fire or flooding and sites in historic districts are among those that are specifically exempt.
- Units reserved for low-income housing or that had been rented within the previous three years could not be altered or demolished. The point is to avoid reducing the supply of rental and affordable units.
- Local governments can still impose safety standards and regulate the appearance of units and, to some degree, their placement on a lot. They cannot, however, require more than one off-street parking spot per unit, or any off-street parking if the units are within half a mile of public transit.
- Units built under the terms of this act may not be offered for short-term rentals.
- Anyone applying to subdivide a lot must commit to living in one of the units there for at least three years.
- The subdivided lots have to be at least 1,200 square feet each and roughly the same size. Cities would have to permit units to be at least 800 square feet, and could not bar them from being adjacent or connected.

SB 10 does not mandate any changes in local land use. Instead, it enables local governments to change their zoning rules much more quickly to allow housing developments with up to 10 units if they're located in areas well-served by mass transit or in urban areas that are already largely zoned for residential use.

Local governments already have the power to make that sort of change in their zoning, but because the process is covered by the California Environmental Quality Act, it's costly and takes years to complete. SB 10 allows such changes to be made without triggering a CEQA review, although multiunit projects proposed in the new zones would still be subject to the environmental law.