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Erin Walters
Associate Planner
Town of Los Gatos Planning
Department
101 E. Main Street
Los Gatos, CA
ewalters@losgatosca.gov

Re: 101 S. Santa Cruz Avenue
Architecture and Site Application S-23-040
Conditional Use Permit U-23-016
Subdivision Application M-23-008
Assembly Bill 1893 Modifications to Project

Dear Ms Walters:

As you know, this firm represents CSM Investments, LLC ("CSM") in connection with its housing development project application for 58 condominium and multi-family units with associated onsite improvements (the "Project"). The Project is located on approximately .82 acres currently occupied by a United States Post Office building at 101 South Santa Cruz Avenue in the Town (APN: 529-01-022; the "Project Site"). As modified, the Project consists of 58 homes, 8 of which would be deed restricted affordable to lower income households. The Project is subject to the robust protections of Senate Bill 330 ("SB 330"), the Housing Accountability Act and the Builder's Remedy ("HAA", Gov. Code § 65589.5), and the state Density Bonus Law (Gov. Code § 65915). The Town determined the application for the Project to be complete on April 17, 2024. Enclosed with this letter, the Applicant further responds to the Town's most recent inconsistency comments and proposes project modifications as authorized by AB 1893 and the HAA.

As you know, the California Legislature recently adopted Assembly Bill (AB) 1893, effective on January 1, 2025, which reforms the HAA to include new procedural safeguards and lower affordability requirements for Builder's Remedy projects. Going forward, projects setting aside at least 13 percent of their units for lower income households will qualify for the Builder's Remedy in appropriate scenarios like this one, in place of the prior 20 percent requirement. AB 1893 states explicitly that existing vested Builder's Remedy projects may "convert" to AB 1893-compliant projects while retaining their entitlement to the Builder's Remedy. Moreover, Builder's Remedy

projects for which a Preliminary Application was submitted prior to January 1, 2025, may choose “to be subject to any or all of the provisions [added to the HAA pursuant to AB 1893] applicable as of January 1, 2025.” (Gov. Code § 65589.5 (f)(7).)

In accordance with AB 1893, the Applicant hereby elects to “convert” the Project to an AB 1893 Builder’s Remedy project, effective with this letter and submittal. In particular, the Applicant chooses to be subject to the reduced affordability requirements for a Builder’s Remedy project adopted as part of AB 1893, electing to reduce the percentage of Project units for lower-income households to 13 percent. The distribution of these affordable units is shown on the attached updated plan set. The site plan will change as reflected on the attached updated plans.

Though the Project is already subject to the protections of the Builder’s Remedy, as a separate and independent basis to demonstrate that the Project is not required to comply with certain Town development standards, the Applicant also elects to invoke the benefits of the Density Bonus Law, a right expressly acknowledged by AB 1893 as available to Builder’s Remedy projects. (See Gov. Code 65589.5(f)(1),(f)(6),(h)(11).) Accordingly, the Applicant has indicated certain standards in the attached materials from which it requests waivers because such standards would otherwise physically preclude construction of the Project at its proposed density. The Applicant reserves the right to request any additional waivers, or incentives/concessions authorized by the DBL or AB 1893 and does not waive any of its rights under the Builder’s Remedy. (e.g. see Cal. Gov. Code § 65589.5(f)(6)(C).)

In addition to the above modifications authorized by AB 1893, the Applicant has also made several changes to the Project’s architectural design in response to prior Town comments. The Project remains vested by SB 330 and AB 1893 under the Builder’s Remedy and the application for the Project remains complete.

We look forward to working with you to bring this important and much-needed housing project to the community. Please do not hesitate to contact me with any questions.

Very truly yours,

MILLER STARR REGALIA



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