

# HSW LLP

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## VIA ACCELA & EMAIL

March 30, 2026

Ms. Nishita Kandikuppa, Planner  
Ms. Claire Raybould, Acting Planning Manager  
City of Palo Alto Planning & Development  
Department Development Center  
285 Hamilton Avenue, Suite  
100 Palo Alto, CA 94301

**Re: Updated Project Letter for Tentative Map Component of Proposed Residential Subdivision (“The Oaks”) at 4103 Old Trace Road, Palo Alto, CA 94306 (APN 175-20-078)**

Dear Ms. Raybould and Ms. Kandikuppa,

Enclosed you will find the requested resubmittal information for the tentative map application (25 PLN-0296) for a “housing development project,” as defined in the Housing Accountability Act (“HAA”) (Gov. Code § 65589.5) and a proposed residential subdivision known as “The Oaks” located at 4103 Old Trace Road within the City of Palo Alto, California 94306. The specifics related to the Tentative Map application are set forth below. A Streamlined Housing Permit (25PLN-00298) is being processed separately and contains further detail on the proposed units.

### **I. PROJECT DESCRIPTION.**

The proposed project (“Project”) is a “mixed-income”, all residential “housing development project” consisting of a tentative map application to subdivide one (1) 1.02 gross acre vacant lot at 4103 Old Trace Road, Palo Alto, CA into (9) residential lots and one (1) common area lot for a private street, utilities, access, stormwater treatment facilities, and other improvements. These lots are being planned to accommodate one single-family and junior accessory dwelling unit (“JADU”) (2 units each/10 units total) on each of Lots 1 through 5 and one attached single-family dwelling and JADU on each of Lots 6 and 7 (2 unit each/4 units total) and one attached single-family dwelling unit on each of Lots 8 and 9 (2 units total). The Applicant is seeking one (1) density bonus lot/unit based on its provision of one (1) lot/unit that will be deed-restricted to households earning no more than 100% of AMI. The Applicant is also seeking waivers, reductions in development standards, incentives and concessions consistent with State Density Bonus Law (“SDBL”) (Gov. Code § 69515, *et seq.*).

## **II. CEQA EXEMPTION**

The Project has been designed to be exempt from CEQA review under AB130. Detail was previously provided to the City establishing the Project's eligibility. The Applicant seeks the City's confirmation that the Project has been found to be exempt.

## **III. DENSITY BONUS INFORMATION.**

### **A. Base Density & Density of the Project.**

The base density of this site is 8 primary dwelling units per acre. The applicant is proposing to deed-restrict 12.5% of the units. At the tentative map stage, this translates into 1 lot (Lot 9), which will contain one (1) attached single-family dwelling unit that is deed-restricted as affordable to moderate-income households earning no more than 100% of AMI.

By providing this affordable unit, the Applicant is entitled to a 7% density bonus. This translates into one (1) additional primary dwelling unit, which is being planned for Lot 7.<sup>1</sup>

### **B. Assurances for the Affordability of Units.**

Upon request, the Applicant will record a deed-restricted covenant prior to recordation of final map to ensure compliance with the proposed affordability and pre-conditions for eligibility for SDBL. If the Streamlined Housing Permit is approved first, the Applicant would also accept a condition of approval that regarding recordation of a deed-restriction before issuance of any building permits.

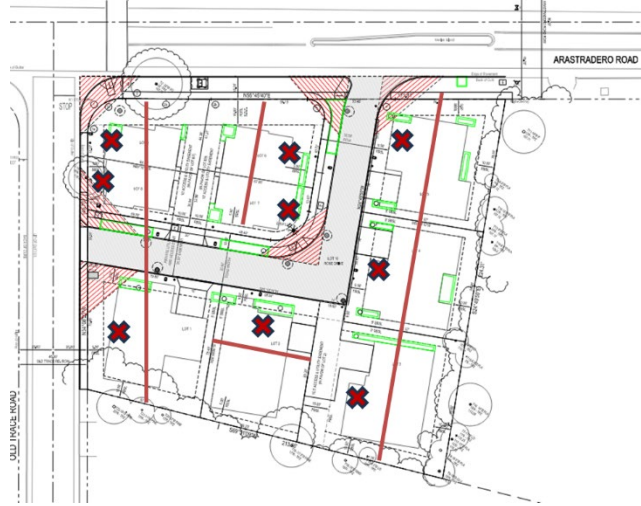
### **C. Density Bonus Waivers and Reductions in Development Standards.**

The applicant requests the following waivers and reductions in development standards pursuant to SDBL:

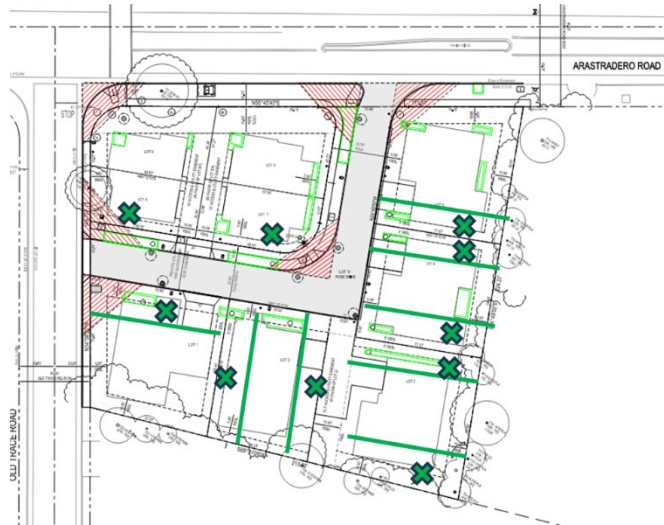
1. Reduce minimum lot size in RE-1 zone as provided in PAMC § 18.10.040(a) at Table 2 from 1 acre and minimum 6,000 SF size in PAMC § 21.20.100 to a minimum of 1,921 SF (Gross) and 1,570 (Net). If the minimum lot area were not permitted, it would eliminate all of the residential lots except 1, thereby precluding the allowed density
2. Decrease front setback from 30' provided in PAMC § 18.10.040(a) at Table 2 to a minimum of 9.5' as measured from back of curb for Lots 1 through 5 and 5' as measured from back of curb for Lots 6 through 9. As shown below in **RED**, a 30' setback would substantially reduce the proposed buildable area of all lots, thereby reducing density.

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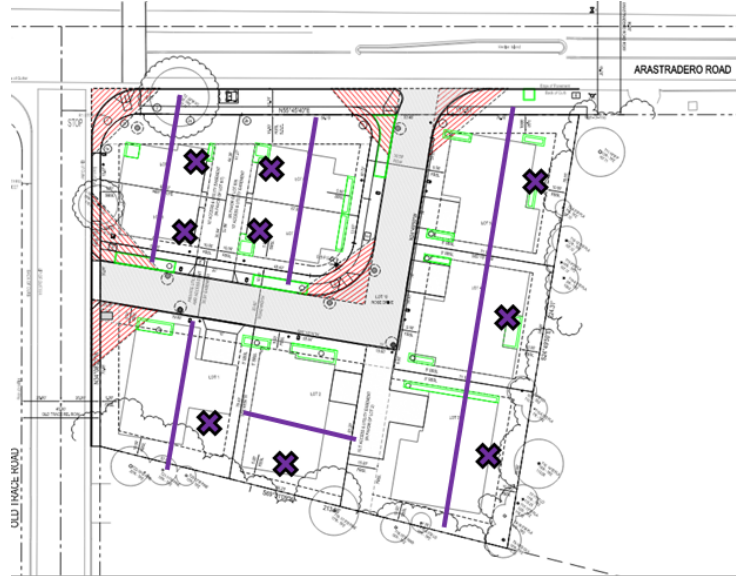
<sup>1</sup> As noted previously, for the purposes of base density and density bonuses, JADUs are disregarded unless they are being deed-restricted to obtain density bonus benefits



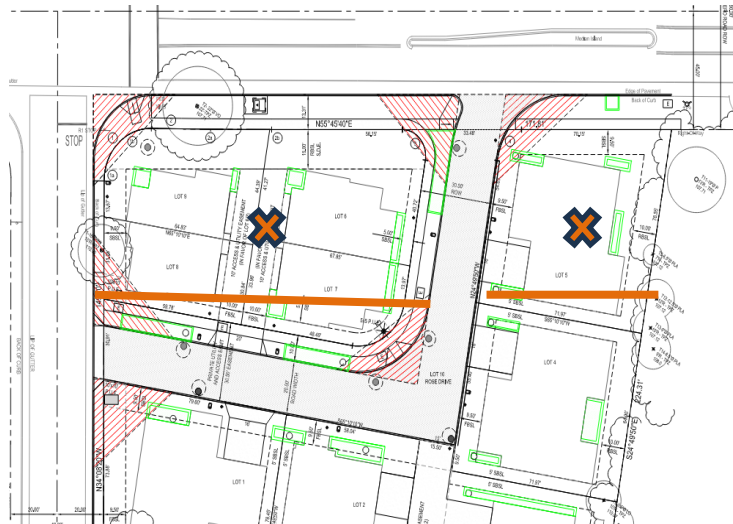
3. Decrease interior side setbacks as provided in PAMC § 18.10.040(a) at Table 2 from 15' to 5'. As shown above in **GREEN**, a 15' interior setback would substantially reduce the proposed buildable area of each of lots, thereby reducing buildable area on all of the proposed lots.



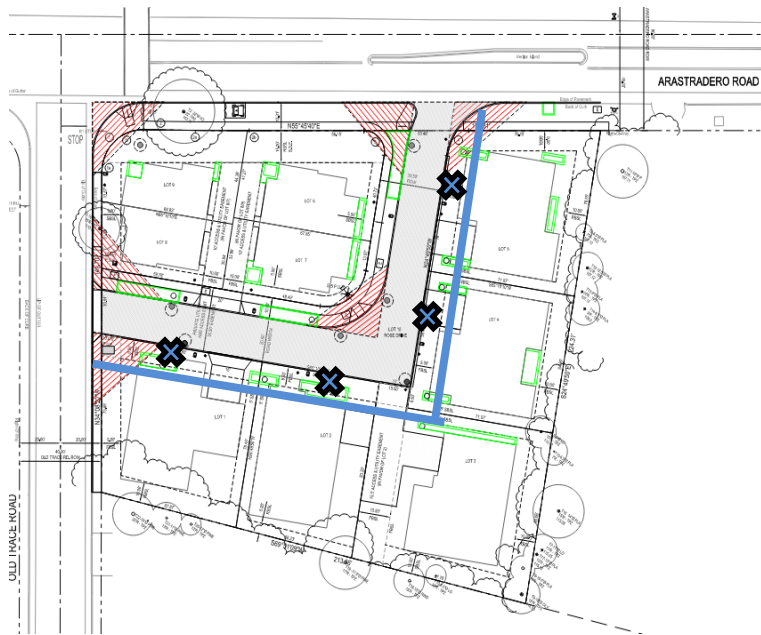
4. Decrease rear setbacks as provided in PAMC § 18.10.040(a) at Table 2 from 30' to 10' on Lots 1 and 3 through 9. On Lot 2, decrease the rear setback to 5'. As shown below in **PURPLE**, a 30' setback would substantially reduce the proposed buildable area of all lots, thereby reducing density.



5. Reduce the special setback on Arastradero on Lot 5 from 53' to 9.5' and Lots 6 through 8 from 53' to 15'.

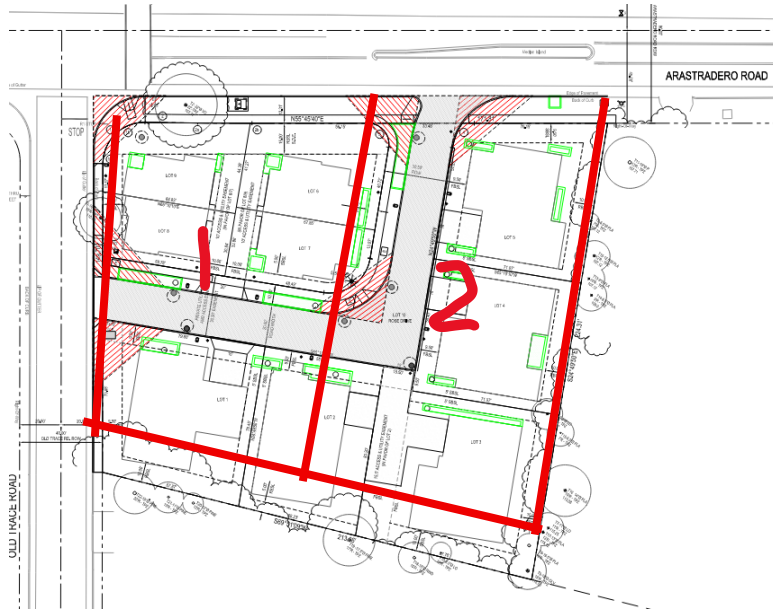


6. Reduce the minimum width of the private street from 32' as required by PAMC § 21.20.240(b)(4) to 20'. As shown below in **BLUE**, increasing the street width would eliminate buildable area on Lots 1 through 5, thereby reducing density.



7. Reduce the requirement that no parking spaces are to be located in a required front yard per PAMC § 18.12.060(c)(1) to match the required front yards with the requested waivers herein for Lots 1 through 5. All of the garages are located in the required front yard for the R-E zone and, without a derivative waiver for this requirement, all of the garages would be eliminated on Lots 1 through 5.
8. Reduce the minimum site depth from 100' as required by PAMC § 18.10.040(a) at Table 2 to 59'78'. If the minimum were imposed, it would only allow one conforming lot instead of the 9 residential lots proposed, thereby reducing density. If the minimum were imposed, it would only allow two (2) conforming lot as shown roughly below in **RED** instead of the 9 residential lots proposed, thereby reducing density.
9. Reduce the minimum site width from 100' as required by PAMC § 18.10.040(a) at Table 2 and PAMC § 21.20.100 to the minimum on Lot 9 (approx. 30'). If the minimum were imposed, it would only allow two (2) conforming lot as shown roughly below in **RED**

instead of the 9 residential lots proposed, thereby reducing density.



Further waivers are reserved pending comments and feedback on the proposed Project.

**D. Incentives and Concessions.**

The applicant anticipates requesting incentive related to the size of the affordable housing unit planned on Lot 9. This will be requested and developed during the Streamlined Housing Permit process and is reserved at this time.

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We appreciate your assistance so far and look forward to bringing much-needed housing to the City of Palo Alto. If you have any questions or need further information, I can be reached at 415-265-1086 or [mg@hsw-legal.com](mailto:mg@hsw-legal.com).

Kind regards,

Melanie Griswold, Partner  
HSW LLP



**506 N Santa Cruz Avenue  
Los Gatos, CA 95030  
PH: (408) 354-0502 FX: (303) 323-6516**

Melanie Griswold  
Steel Bridge Capital LLC  
206 Garden Hill Drive  
Los Gatos, CA 95032

Escrow Officer: Charlene Ramos  
Email: charlene.ramos@cstitleco.com  
Assistant: Ramos Team  
Email: ramosteam@cstitleco.com  
Escrow Number: 3630425-01971

Owner: Steel Bridge Homes Palo Alto, LP

Property: Vacant Land, known as APN 175-20-078 also  
knows as  
4103 Old Trace Road  
Palo Alto, CA 94306

## PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of August 27, 2025 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's Policy of Title Insurance (2013), if applicable, or CLTA/ALTA Standard Owner's Policy 1990; and/or ALTA Loan Policy (2021).

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

[Steel Bridge Homes Palo Alto, LP, a California Limited Partnership](#)

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A Fee

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and/or assessments for the fiscal year 2025-2026, a lien, but not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq. of the Revenue and Taxation Code of the State of California.

Please note that there may be a supplemental or an escaped assessment of taxes which will possibly be assessed due to the conveyance of said land or may be triggered due to the death of a prior owner. The Company makes no representations and is not responsible for identifying the amount or time period in which said taxes will be assessed against the subject property.

3. Water rights, claims or title to water, whether or not shown by the public records.
4. Easements, recitals, setbacks, and other matters affecting that portion of said land for the purposes stated thereon and incidental purposes as shown upon a filed map

Filed: [Book 293, Page 29](#)

5. A Deed of Trust to secure an original indebtedness and any other amounts or obligations secured thereby

Amount: \$4,000,000.00  
Dated: May 22, 2025  
Trustor: Steel Bridge Homes Palo Alto, LP a California Limited Partnership  
Trustee: Chicago Title Company  
Beneficiary: Youland Inc., a California corporation  
Recorded: May 30, 2025 as [Instrument No. 25814693](#) of Official Records

6. Rights of parties in possession.

7. Rights of parties in possession of said land by reason of any unrecorded leases.

Please submit any such leases to this company for our examination.

8. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS Survey and/or inspection of said land.

## REQUIREMENTS

Prior to closing this company will require the following:

1. The requirement that the owner's property statement be executed and upon review further requirements may be requested prior to the issuance of any policy of insurance.
2. This transaction may be subject to an order issued pursuant to the Bank Secrecy Act. The policy issuing agent may need to provide certain information necessary to comply with the order prior to the closing.
3. The requirement that underwriting approval be obtained if any policy of title insurance is requested other than a standard owners policy.
4. The company may require a copy of a valid government issued photo ID from the Principle(s) involved in this transaction subject to further requirements of this company.
5. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
  - A. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
  - B. A full copy of the partnership agreement and any amendments; Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
  - C. Other requirements which the Company may impose following its review of the above material and other information which the Company may require.
6. The requirement that High Liability approval be obtained prior to the close and issuance of any policy of title insurance. The High Liability process must be completed according to the Policy Underwriter's requirements.

### INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. Said property appears to be Vacant Land, known as APN 175-20-078, also known as 4103 Old Trace Road, Palo Alto, CA 94306.
2. General and special taxes and/or assessments for the fiscal year 2024-2025, as follows:

Assessor's Parcel Number: [175-20-078](#)

TRA: 006-020

First Installment: \$2,748.14 Paid

Second Installment: \$2,748.14 Paid

3. There are no conveyances affecting said land within two (2) years of the date of this report, except the following:

A Deed recorded May 30, 2025 as [Instrument Number 25814692](#), Official Records

Dated: March 25, 2025

Grantor: Linda Jean Brennan, Successor Trustee under the Smithwick Living Trust, dated October 15, 1998

Grantee: Steel Bridge Homes Palo Alto, LP a California Limited Partnership

4. The map attached, if any, may or may not be a survey of the land depicted hereon. Cornerstone Title Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

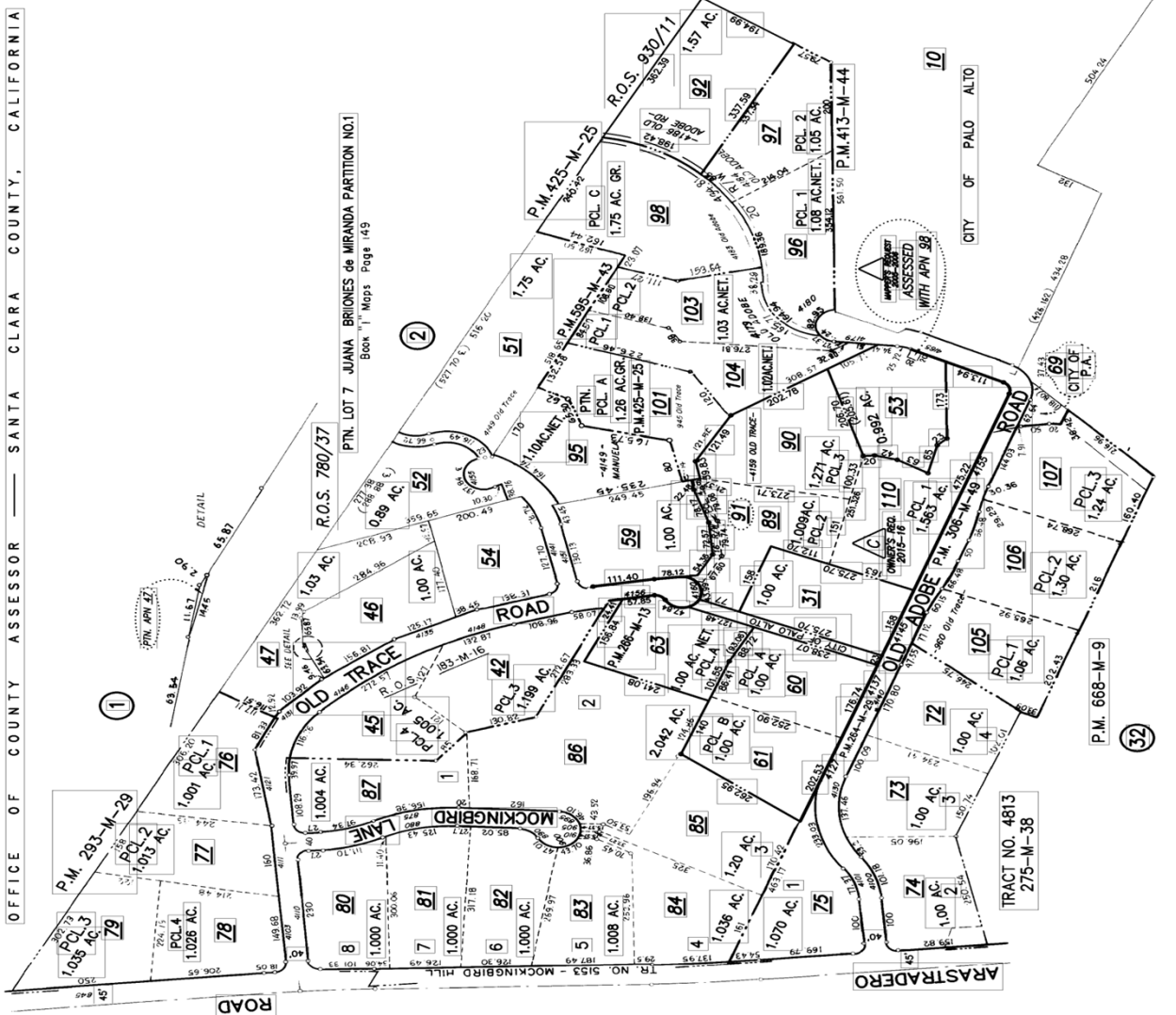
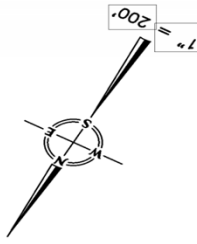
### **LEGAL DESCRIPTION**

All that certain real property situated in the City of Palo Alto, County of Santa Clara, State of California, described as follows:

All of Parcel 4, as shown upon that certain Map entitled, "Parcel Map, Portion of Lot 7, Briones Partition", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on November 26, 1971 in [Book 293 of Maps, at Page 29](#).

APN: 175-20-078

BOOK 175  
PAGE 20



TRM. DET. MAP 62, 63  
LAWRENCE E. STONE - ASSESSOR  
Colored map for assessment purposes only.  
Complete under R. & T. Code, Sec. 327.  
Effective Roll Year 2022-2023

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

THIS MAP IS FOR YOUR AID IN LOCATING YOUR LAND IN REFERENCE TO STREETS AND OTHER PARCELS. WHILE THIS MAP IS BELIEVED TO BE CORRECT, THE COMPANY ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE THEREON.

**NOTICE**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your escrow office for more details.