

February 4th, 2026

Tim Wong  
Housing and Neighborhood Services Manager  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

**Re: 68 Willow Rd. – Below Market Rate Housing Proposal [Updated February 4, 2026]**

Dear Tim:

On behalf of 68 Willow Owner, LLC, I am pleased to provide this Below Market Rate Housing Proposal for the 68 Willow Rd. Project. With 50 rental townhomes designed in a modern farmhouse aesthetic replacing a modest commercial building, the project is intended to help satisfy the demand for new units and contribute towards the City's ability to comply with State housing laws.

When ownership originally submitted this project for entitlement, the anticipated timeline for approvals and groundbreaking was significantly shorter than it is today. Over this extended period, the macroeconomic environment and capital markets—particularly for for-sale housing—have shifted materially and continue to evolve.

At the same time, for-rent housing projects have begun to re-emerge as potentially financeable alternatives. Ownership remains committed to delivering much-needed housing and, in light of current market conditions, ownership is now requesting a housing recommendation that accommodates both for-sale and for-rent scenarios. This flexibility will materially improve the likelihood of successfully financing the project and ultimately delivering 50 new homes.

We are therefore requesting that the City move forward with project approvals that include conditions which allow for ownership to determine, based on available financing and other considerations, whether to proceed with a for-sale or for-rent project, which such election would be made either prior to submitting for a building permit (in the case of a for-rent scenario) or prior to submitting a map for recordation.

Consistent with the City's BMR Housing Regulations and Guidelines, if we determine to proceed with a for-rent scenario, we would commit to setting aside 15% of the total units as income-restricted affordable housing to low-income households. As shown on Sheet A02.2 of the plans and outlined below, each of the eight buildings will have one BMR unit:

- Building 1 – One Unit Type 5
- Building 2 – One Unit Type 3
- Building 3 – One Unit Type 1

- Building 4 – One Unit Type 3
- Building 5 – One Unit Type 4
- Building 6 – One Unit Type 4
- Building 7 – One Unit Type 2
- Building 8 – One Unit Type 5

Our proposal will result in one of each Unit Types 1 and 2, and two of each Unit Types 3, 4, and 5. The mix and distribution comply with Section 5.1 of the BMR Guidelines because they will (1) generally have the same proportions as the market-rate units, (2) be distributed throughout the project, and (3) be indistinguishable from the exterior, as the design and materials will be comparable to the market-rate units. The unit mix and configuration is the same as for our for-sale scenario, with the only difference being tenure type and level of affordability.

Further details about the project are outlined in our project description / density bonus letter and accompanying SB 330 application materials. The density bonus is intended to provide relief from certain development standards due to site constraints that would otherwise preclude us from pursuing a feasible project and providing these affordable units; additional density is not being requested.

Please let us know of any questions or comments.

Sincerely,

Chase Rapp

A handwritten signature in black ink, appearing to be 'Chase Rapp', with a stylized, cursive-like script.