



To: Town of Truckee Planning Commission

From: Chantal Birnberg, Associate Planner

RE: Application 2022-00000079/TM-DP (Gray's Crossing Lot F Development Permit); Applicant: Paradigm 8 (Hayes Parzybok and Brian Helm); Owner: DK Alviso LLC; Agent: Martin Wood (SCO Planning); No Address Assigned (APN 043-010-007-000)

Approved by: Denyelle Nishimori, Community Development Director

Recommended Action: That the Planning Commission adopt Resolution 2025-12, approving the following actions based on the recommended findings and subject to the recommended conditions of approval:

1. Determine the project to exempt from the California Environmental Quality Act (CEQA) pursuant to Government Code Section 65457 (Residential Projects Consistent with a Specific Plan); and
2. Approve the Development Permit; and
3. Approve the Tentative Map

Project Summary: The applicant is proposing to construct 30 market-rate, for-sale residential units within 15 duplex buildings and six affordable housing rental units within two triplex buildings. The subdivision creates separate parcels for each duplex unit. Each triplex building will also be placed on its own individual parcel. In total, the project will result in 32 residential lots.

Location/Setting: The project site is located in the Prosser area, east of State Route 89N between Prosser Dam Road and Hennes Road. Surrounding land uses include the Gray's Crossing golf course to the south, west and north, and the Tahoe Mountain Club facilities and PJ's Restaurant to the east. Within the project site, there is a small, separate parcel near the center of the property. This parcel is owned by Pacific Telephone and Telegraph Company (AT&T) and contains telecommunications equipment. It is not part of the proposed development. All necessary easements will remain in place to ensure continued access and operation of the telecommunications equipment.

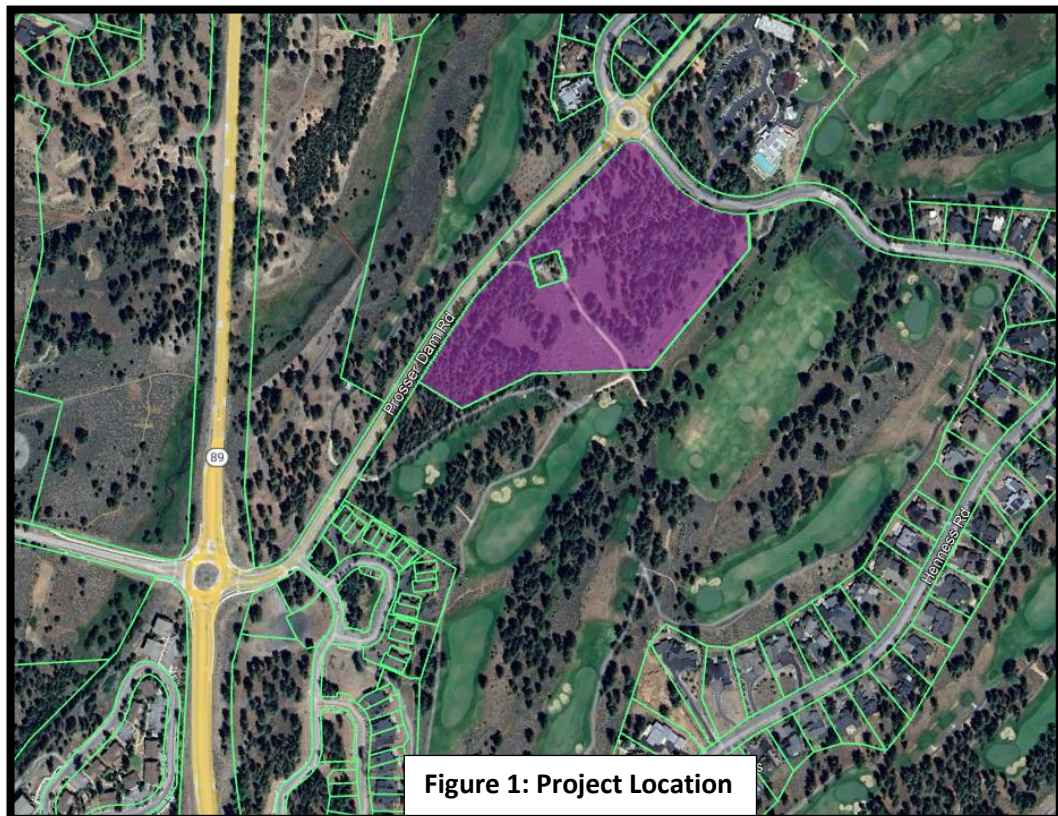


Figure 1: Project Location

Project Site Information:

General Plan Designation: Gray's Crossing Specific Plan Area
Zoning District: Attached Residential - RM (Multi-family Residential)
Project Area: 11.77 acres

Discussion/Analysis:

Background

Gray's Crossing Specific Plan

Adoption and Expired Development Agreement

In February 2004, the Town Council adopted the Gray's Crossing Specific Plan (GCSP), Attachment 2, certified the Environmental Impact Report (EIR), and approved Zoning Map Amendments, a Development Agreement, and Tentative Maps for future development of the Gray's Crossing area. The GCSP was adopted to create a comprehensive development that included a mix of uses such as a diversity of housing types, commercial uses, lodging, recreational, and recreational and open space components. The Gray's Crossing development is based around an 18-hole golf course and recreation amenities packages. East-West Partners was envisioned to manage the implementation of the Specific Plan. For this reason, the Specific Plan was written assuming the continued oversight of a single master developer. With the 2008 recession, portions of the plan area fell into foreclosure and were sold resulting in fragmented ownership.

The Development Agreement identified specific timelines for construction of attached units within the plan area. However, the Development Agreement expired in March 2019. Therefore, the sole governing document for the Gray's Crossing subdivision is the GCSP, which establishes land uses, density and intensity of use, and the specific development standards identified in the plan for the subdivision. The GCSP includes design guidelines and standards for off-street parking, lighting, grading and drainage, and signage.

With the loss of a single master developer and the March 2019 Development Agreement expiration, the Town reviewed the GCSP and has noted that the GCSP has some deficiencies and lacks clarity thereby creating a number of challenges when evaluating development projects in the Plan Area. The remaining undeveloped parcels are tied to one another but are now owned by separate entities with separate development concepts, which makes development of these parcels more difficult. For the proposed project, the GCSP does not set a specific residential density for the RM zone. Instead, the plan relies on a Development Agreement (DA) phasing plan, which is no longer in effect. In response, Town staff reviewed the EIR assumptions to determine how many residential units can be allowed while remaining consistent with the EIR.

A letter was sent to the owners of the remaining undeveloped residential parcels explaining the current number of units available and the unit allocation process, which is based on a first-come, first-served system established by the GCSP (see Attachment 3). Under this process, Lot F has been allocated 36 residential units. However, if this project is not approved or the approval expires, those units will return to the general pool and may be reassigned to the next eligible project.

Lot F

Lot F was established by the Gray's Crossing Phase 3 Final Map, recorded in May 2007. It is located within the GCSP Attached Residential District, which is designated for medium-density residential development and related accessory uses. The GCSP specifies the permitted land uses and development standards for this district. Compliance with these standards is addressed in the Gray's Crossing Specific

Plan Consistency section. Lot F is zoned as RM, but it also includes a 2.7-acre area designated as Open Space (called OS Parcel 1) under the GCSP.

Project Description

The applicants are requesting land use approvals to construct 36 multifamily units on the project site. Development Permit approval is required due to site disturbance greater than 26,000 square feet and Tentative Map approval is required to create separate parcels for individual ownership units, rental units, a private road and common area parcels.

Individual Ownership Duplex Units

The project proposes 15 duplex buildings, each containing two individually owned units with attached two-car garages. These duplexes come in a mix of “Stepped,” “Uphill,” and “Downhill” floor plans that respond to the site’s natural topography. Exterior materials for all units include board-formed concrete, corrugated metal siding, horizontal and vertical wood siding, brake metal, and standing seam metal roofs. All materials are in earth-tone shades ranging from light grey to dark charcoal. The arrangement of these materials varies depending on the floor plan and the orientation of each duplex unit. For full elevations and detailed floor plans, refer to Attachment 1.

The “Uphill” units are three stories tall and include three bedrooms, an office, a recreation room, three and a half bathrooms, a front deck, and a rear patio. Each of these units provide 3,617 square feet (sf) of conditioned space. Within each duplex building, the two units are mirror images of each other, though one is slightly stepped back from the other to provide articulation.

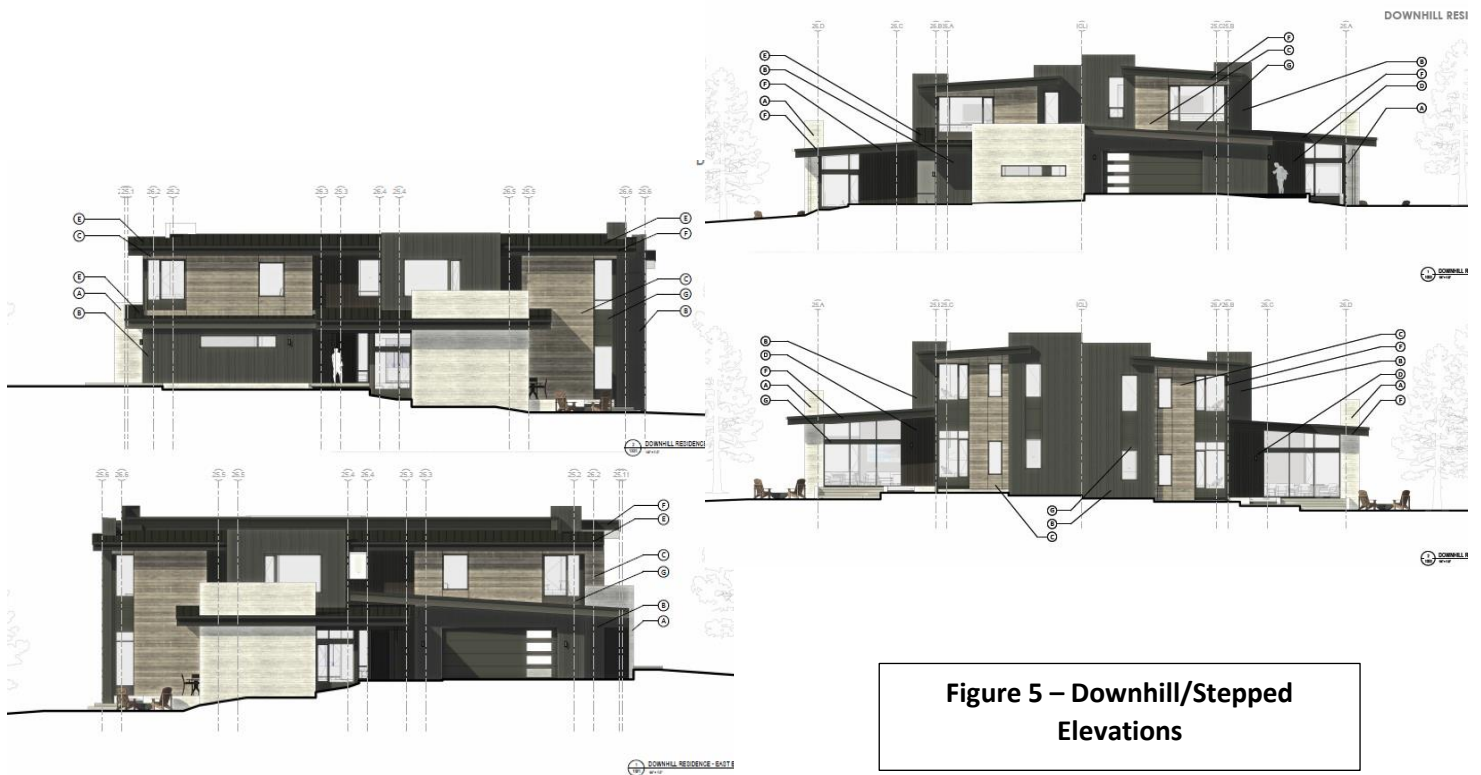


Figure 2: Rendering of Uphill Unit



Figure 3: Front and Rear Elevations – “Uphill”

The “Downhill” and “Stepped” floor plans are very similar in layout and features. Both are two-story units that include a two-car garage, four bedrooms, a recreation room, an office, and three and a half bathrooms. Each unit also features a ground-floor patio. While the core layout remains consistent, there are slight variations in the garage configuration, entryway, and patio size and placement to adapt to the specific site conditions. Each of these units includes 3,460 square feet of conditioned space.



Inclusionary Units - Triplexes

In the GCSP area, 20% of all new residential units are required to be designated as affordable housing. The proposed project includes the construction of two triplex buildings, resulting in a total of six residential units. All six units will be deed-restricted for households earning up to 120% of the Area Median Income (AMI), which qualifies as moderate-income affordability.

Each triplex will contain three studio units and a three-car garage. The layout consists of one unit on the ground floor and two units on the second floor. Each studio is approximately 582 square feet in size and includes either a patio or a deck, as well as private laundry facilities. In addition to the garages, two uncovered guest parking spaces will be provided per triplex, totaling four guest parking spaces. The exterior materials proposed for the triplex units are the same as proposed for the duplex units.

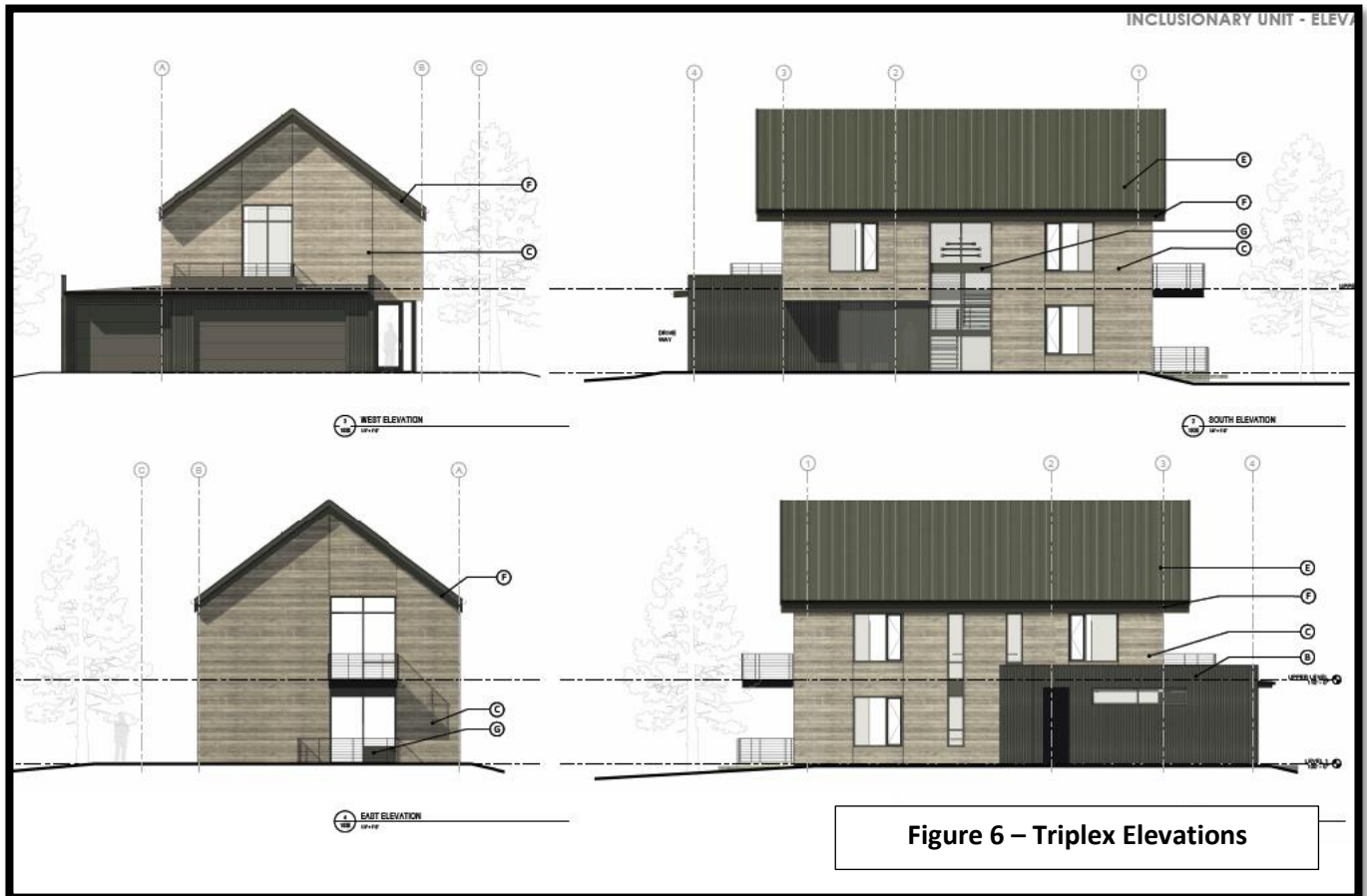
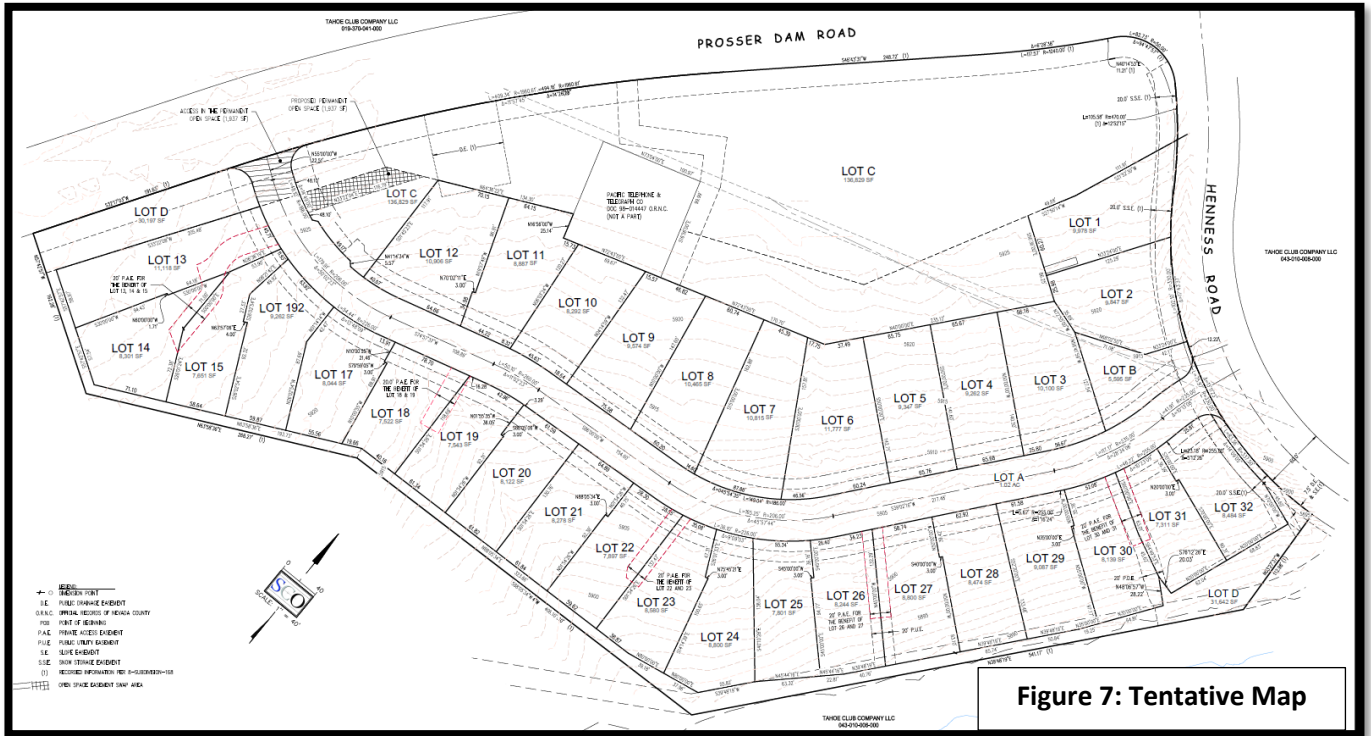


Figure 6 – Triplex Elevations

The applicants propose phasing the construction of the triplexes, with one of the inclusionary triplex buildings, or three inclusionary housing units be completed and receiving certificate of occupancy prior to certificate of occupancy of any of the first 15 market rate units. The second triplex or inclusionary units 4 through 6 would receive certificate of occupancy prior to certificate of occupancy of market rate units 16-30.

Tentative Map/Site Plan

The Tentative Map (Figure 7) creates 30 duplex lots, two triplex lots, one lot designated for the private roadway and several lots for common area or open space, as shown in Figure 8. To provide greater clarity regarding the size and intended use of common area and opens space lots, staff is recommending Conditions of Approval (COA) #82.



The project also provides a common recreational amenity in the form of a half-sized bocce court and picnic table, located on the common area parcel adjacent to Lot 12 along with the mailbox cluster serving the subdivision.

As part of the project (COA #74), the unpermitted Gray's Crossing mailbox cluster and access road will be removed from the open space and revegetated.

Land Use Approvals

Development Permit

The applicant is requesting Development Permit approval to construct a multifamily residential project in the RM (Attached Residential) zoning district, on a site with more than 26,000 square feet of site disturbance. The Development Permit review process recognizes that the proposed use/construction is allowed in the zoning district and focuses on site layout and building design to ensure the best utilization of a site as well as compatibility with surrounding properties. The Planning Commission's role is to consider how the proposed building design, site design, and materials reflect the Truckee architectural design principles and guidelines. The Planning Commission may approve a Development Permit, with or without conditions, only if all the required findings can be made. The required findings are included in Exhibit C of Resolution 2025-12.

Tentative Map

The applicant is requesting approval of a Tentative Map with 30 individual ownership lots, two multi-family lots, open space, roadway and common area parcels. Easements for utilities, drainage and snow storage are included, along with shared access easements for a handful of shared driveways.

The purpose of a Tentative Map is to review and evaluate the proposed map for compliance and consistency with applicable provisions of the Development Code, Specific Plan, General Plan, and Subdivision Map Act. Tentative Maps with five or more parcels are reviewed by the Planning Commission. The mandatory findings for a Tentative Map are provided in Exhibit C of Resolution 2025-12.

2025 General Plan Consistency

Since this project was deemed complete on September 23, 2022, prior to the May 9, 2023 adoption of the 2040 General Plan, and the Town Council did not impose a moratorium on processing of land use entitlements while the update was underway, this project application is required to be reviewed under the 2025 General Plan. The project site is located within the GCSP Area land use designation of the 2025 General Plan. This designation allows commercial, residential, recreational, and community facilities.

There are Gray's Crossing-specific goals and policies identified in the General Plan which include the following:

- GC-P1. Preserve existing natural features and wildlife habitat.
- GC-P2. To protect wildlife habitat, preserve open space corridors connecting to adjacent open space lands.
- GC-P3. The planned community shall be sited, oriented and massed to provide for maximum exposure to winter sun and protection from wind and temperature extremes.
- GC-P4. Landscaping shall complement and be a component of the existing native ecosystem.
- GC-P5. Maintain the undeveloped open space character of the viewsheds along Highway 89 and Interstate 80.
- GC-P10. Architecture shall be consistent with the Town of Truckee Design Guidelines.

- GC-P11. Parking areas shall be screened. Parking shall be provided in scattered small lots or located to the rear of buildings.
- GC-P14 Development under the Gray's Crossing Specific Plan shall provide a reasonable balance of residential, retail, office, and recreational land uses in each development phase.

Several General Plan goals and policies are relevant to this project, including but not limited to:

- Goal LU-1: Manage growth so as to maintain the unique qualities and character of the Town as a small mountain community.
- LU Policy 1.1: All new development shall meet important community goals for design quality, open space preservation, and promotion of a livable, sustainable community. Development that does not fulfill these goals shall not be allowed.
- Goal LU-3 Create efficient land use patterns which reduce environmental impacts and minimize the potential for residential and commercial sprawl.
- Goal LU-5: Encourage a mix of land uses in the Town to promote a vibrant community and to reduce traffic, while addressing the need to minimize land use conflicts.
- Goal LU-7: Encourage clustered residential development to create efficient development patterns, and to minimize environmental impacts and threats to public safety.
- LU Policy 7.1: For all residential developments, require clustering where appropriate. Clustered development as defined in this General Plan includes the following considerations:
 - ◆ Clustering of residential development will allow flexibility of site design in responding to the natural features and resources of an individual site.
 - ◆ Clustering means that structures will be located on a site so that larger areas are left as undeveloped open space.
 - ◆ Undeveloped areas may either be preserved in private or public open space, or may be a portion of an individual lot, with deed restrictions prohibiting construction in that portion.
- Goal CC-5: Maintain the town's unique community character, including a high standard of town design in all development in Truckee.
- CC Policy 11.1: Encourage new residential developments adjacent in appropriate locations (e.g. planned community areas) and with appropriate site conditions to include the use of neo-traditional site design and architectural elements. These encompass elements such as a grid, or modified grid street layout, narrower streets, street trees, detached sidewalks, and neo-traditional house designs in keeping with Truckee architecture and design.
- Goal H-2: Provide housing affordable to all segments of the community.

Staff concludes that the proposed project is consistent with the 2025 General Plan. The project includes clustered residential development with designated open space. The project also features high-quality housing design and construction materials. By introducing duplex units, a departure from the typical single-family homes in Gray's Crossing, it adds diversity to the neighborhood's housing options. The provision of six affordable studio units on site addresses the need for housing for all segments of the community and creates nearby living opportunities for employees who work in the Gray's Crossing amenity and service sectors. The project site is located within an already established subdivision and close to local amenities and community services.

Gray's Crossing Specific Plan Consistency

The project site is located in the Attached Residential District in the GCSP. The GCSP states that the purpose and intent of "the Attached Residential District are to provide residential land for medium density residential units, and their accessory uses". The GCSP identifies "duplexes", "multi-unit dwellings" and "multi-family dwellings, individual ownership" as permitted uses in the Attached Residential District.

In the Attached Residential District, the GCSP does not have identified setbacks, site coverage, or snow storage standards. While the GCSP does not direct development to follow Development Code standards

for zoning districts when they are not provided by the Plan, historically, the Development Code standards for the similar district, in this case, RM (Residential Multifamily), are referenced. It should be noted that the GCSP also allows for setbacks and standards to be adjusted to avoid tree loss or site alterations. Standards with asterisk are discussed in more detail below.

Table 1: Development Standards Comparison

Standard	Gray's Crossing Specific Plan Requirement	Development Code for RM zoning district (For Reference)	Proposed	Notes
Setbacks*	None specified	20' Front 10' Side 20' Rear	Varies	Consistent with GCSP
Site Coverage	None specified	50%	29%	Consistent
Open Space*	2.7 acres	30% (3.52 acres)	3.15 acres	Consistent with GCSP
Height	35 or 3½ stories	Same	Varies by model, no buildings with excess height	Consistent
Parking*	Studio (affordable): 1.5 spaces, no spaces required to be enclosed. Two bedrooms or more: 2 spaces per unit with 1 in enclosed garage. Guest Parking = 25% of total spaces	Same	Duplex units: 2 spaces in garage, 1 "guest" space in driveway. Triplex units: 6 enclosed spaces 4 guest parking spaces with approved waiver.	Consistent
Bike Parking*	Development Code 18.48.090	Long term bicycle parking waived for fully enclosed garages. Short term: duplex, waived. Triplex: two short term spots required.	2 for triplex units (COA #59)	Consistent
Snow Storage	None specified	10' SSE required by Engineering for street. 50% required for each lot	More than 50% provided. Each lot will be reviewed again at building permit submittal.	Consistent

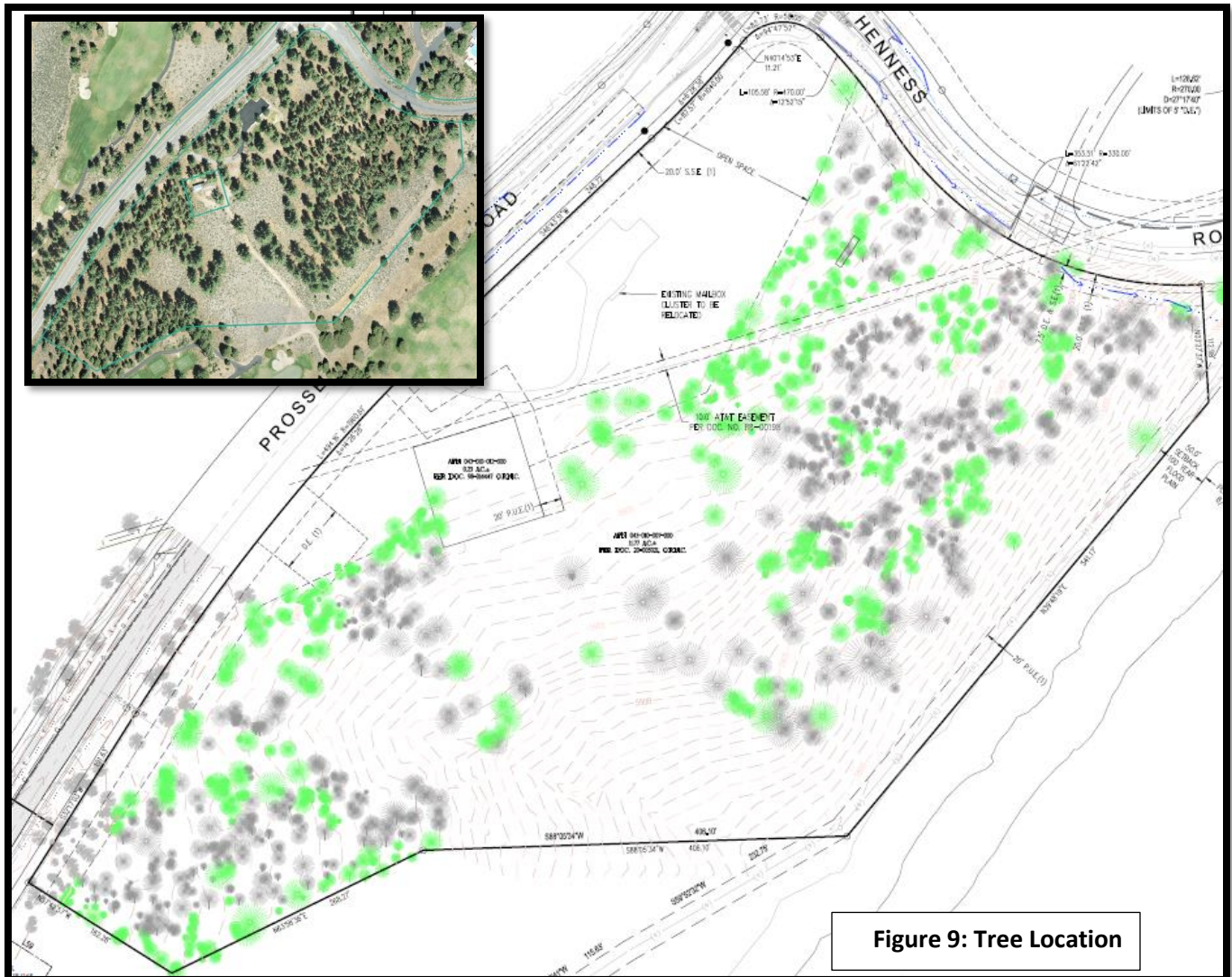
Setbacks

While the GCSP provides setback standards for all other residential districts, its silence regarding the Attached Residential District suggests to staff a desire to provide flexibility for the various housing types permitted in this district. The GCSP also includes provisions that allow for adjustments to setbacks to accommodate tree preservation and specific site conditions, allowing discretion to respond to site-specific circumstances.

With the exception of the rear setbacks for Lots 17 and 18 and the interior side setbacks for the triplexes, all the individual lots comply with the RM setback standards. In most cases, they meet the standards

directly when measuring from the building to the proposed lot line. In other cases, they comply when the measurement is taken from the building to the overall property boundary, which includes the undevelopable common area.

The project site is constrained by a designated Open Space area, utility and drainage easements, and the requirement to provide secondary access in response to updated Fire Code standards. It is also heavily forested in some areas, with the fewest trees located along the southern boundary adjacent to the golf course. The project design is situated close to this southern edge to preserve existing trees on the southern portion of the property near the open space boundary (See Figure 9 – Trees in Open Space shown in inset).



Parking

The parking standards in the GCSP are consistent with those in the Development Code. For multifamily units, parking requirements are based on the number of bedrooms: studio units must provide 1.5 parking spaces per unit, while units with two or more bedrooms must provide two spaces per unit. Both unit types are required to include one enclosed parking space, unless the unit is designated as affordable housing. Multifamily regulations also require guest parking equal to 25% of the total required parking.

For the duplex units, the strict application of this requirement would necessitate constructing a guest parking lot with 15 spaces. However, both staff and the applicant agree that this is an inefficient use of

land and is inconsistent with the design of the duplexes, which function like single-family homes. Guests of the duplex units will inevitably park in the driveway of the home they are visiting. Early in the project review process, the Director made a similar use determination, finding that the duplexes function as single-family homes for parking purposes and that tandem parking could be used to accommodate guest spaces. Each duplex lot includes space for one guest parking spot located outside the two-car garage and clear of any easements.

The triplex lots operate as true multifamily development. Each unit is provided one enclosed garage parking space, although affordable units are not required to provide enclosed parking. In addition, the triplexes include four additional parking spaces, bringing the total to ten. This total falls short by one guest parking space, as the parking requirement for six units is calculated as follows: 6 units × 1.5 spaces = 9 spaces, plus 25% for guest parking (2.25 spaces), for a total of 11 required spaces. Because the triplexes are located on separate lots but share parking facilities, Condition of Approval #54 requires the establishment of a reciprocal, or shared, parking and access agreement.

To address the parking shortfall, the applicants are requesting a reduction in required parking under Development Code Section 18.24.090 (Inclusionary Housing – Adjustments and Waivers). This section allows the Review Authority to grant a reduction when strict compliance of requirements would not reasonably achieve the ordinance’s intended purpose. Many provisions of the Inclusionary Housing ordinance are designed to ensure that affordable units are as comparable as possible to market-rate units in both quality and livability.

The applicants propose providing enclosed garage parking for the units, which constrains available space on each lot and limits the ability to accommodate all required surface parking. Providing enclosed parking enhances livability by offering residents secure gear storage and protection for vehicles, features that are often not typically available in affordable housing developments. Staff finds that allowing a reduction of one parking space in exchange for constructing six enclosed garage spaces better fulfills the intent of the ordinance.

It is also important to note that the project qualifies for a State Density Bonus, which would automatically reduce the overall parking requirements. If the waiver is not supported, the applicants could instead pursue the Density Bonus option, which might result in a redesign that is in less conformance with the Development Code or GCSP. Staff recognizes and appreciates the applicant’s thoughtful design approach, which provides appropriate parking and amenities for residents while complying with the GCSP and the intent of the Development Code.

All multi-family residential projects shall provide long-term bicycle parking spaces at a rate of one space per residential unit, with additional short-term bicycle parking provided for guests at a rate of one space per ten residential units (a minimum of two guest spaces shall be provided in all cases). Units with fully enclosed garages are exempt from long-term bicycle parking requirements. For the triplex units, COA #59 requires the installation of two short-term bicycle parking spaces.

Affordable Housing

With the expiration of the Development Agreement, the specific requirements for affordable housing are only those identified in the Gray’s Crossing Specific Plan. The Gray’s Crossing Specific Plan states that the PC-2 Policy requires that “affordable housing shall be provided in addition to market rate housing. The number of affordable units shall be equal to twenty percent of the number of market rate units.” The policy does not identify a specific level of affordability (i.e., very-low, low- or moderate income levels).

With 30 market-rate attached units, the applicants are required to provide six deed-restricted affordable units. The applicants are proposing to deed restrict the six triplex units for moderate-income households. At this time, the units will be multi-family rental units, however the applicant may decide at a later date to

further subdivide the triplexes to allow for affordable ownership opportunities. This would occur under a separate application. Condition of Approval #53 requires the recordation of deed restrictions to ensure affordability controls.

Design Guidelines

The Gray's Crossing Specific Plan is the governing document for design guidelines. The following Attached Residential District guidelines are relevant to the project:

- *Residential developments surrounded by high walls, parking lots and rows of carports along public streets are examples of practices to be avoided.*
- *Avoid long, unbroken building facades and simple box forms.*
- *Each of the units should be individually recognizable. This can be accomplished with the use of balconies, setbacks and projections that help articulate individual dwelling units or collections of units and by the pattern and rhythm of windows and doors.*
- *Garage doors should appear to be set into the walls rather than flush with the exterior wall.*
- *Garage door design should be kept simple, clean and unadorned.*
- *It is appropriate to provide each unit with its own identity and entry. This can be accomplished by staggering and offsetting each separate unit and combining one and two story building forms to separate massing.*
- *The focus should be on constructing a high quality residential environment, which is response to the climate and the surrounding mountainous landscape.*
- *Roofs - Gable, shed and hip roofs; Creating articulation in ridgeline plane; and varying plate heights and ridge height*
- *The incorporation of balconies, porches and patios in the building design is encouraged for both practical and aesthetic value.*

The project design incorporates variations in building form and materials to provide articulation and visual interest. Each unit is offset from the neighboring unit. Garage doors are integrated into the primary building elevations and are of simple design. It is staff's opinion that the proposed material palette of wood, standing seam, metal siding, and board formed concrete are of high quality and consistent with the design guidelines and the surrounding neighborhood. Duplex units feature shed roofs, while triplex units incorporate gable roofs. Private outdoor space, either a patio or balcony, is provided for all proposed residential units.

While not required, the applicant submitted the project to the Gray's Crossing Design Review Committee in June of 2022. Because the project will not be annexed into the Master Association, the submittal was an informal review conducted by the Design Director and the Architectural Review Committee members. In response to their comments on the affordable units, the applicant updated the design to add more building articulation and design interest. For the duplex units, the applicant updated siding selections and designs to add additional variability to the left and right units.

Tentative Map

Staff has reviewed the proposed Tentative Map application for consistency with the Subdivision Map Act, General Plan, Development Code, Gray's Crossing Specific Plan, and the Town's Public Improvement and Engineering Standards. With incorporation of the recommended conditions of approval, staff concludes that all required findings for approval can be made.

Engineering Conditions of Approval #17-50 include requirements related to the preparation of Improvement Plans, frontage improvements including trails, dedication of easements, and establishment of maintenance agreements. Planning staff has also included Condition of Approval #82 to address the provision of open space and ensure clarity in the designation of common area lots.

Environmental Review: Staff is proposing to determine the project to be exempt from the California Environmental Quality Act per Government Code Section 65457 (Projects consistent with a Specific Plan – EIR adopted after 1980). The Town certified the Gray’s Crossing Specific Plan Final Environmental Impact Report (SCH #2002072115) in February 2004. If the Planning Commission does not find the project consistent with the Gray’s Crossing Specific Plan, then additional environmental review would be required. The project will also be required to comply with all applicable mitigation measures (Attachment 1).

Public Communication: Notice of the public hearing was published in the *Sierra Sun* on October 10, 2025, and mailed to all property owners within 500 feet of the project site on October 7, 2025. As of the date of publication of this staff report, no public comments have been received regarding the proposed project.

Staff Summary and Recommendation: The Attached Residential District is intended to allow flexibility for the development of medium-density multifamily housing. This is reflected by the variety of permitted residential uses within the district, from “Rooming and boarding houses” to “Multi-family dwelling, individual ownership”. The district’s limited development standards also support this flexibility.

The proposed market-rate development provides a unique multi-family housing type for the Gray’s Crossing Plan Area, which is primarily developed with single family homes. The project incorporates high quality design in both the market-rate and affordable units. The inclusion of studio-sized affordable units expands housing options within the GCSP and provides access to its amenities for a wider range of incomes.

Staff finds that, with incorporation of the recommended conditions of approval, the project is consistent with the intent of the Gray’s Crossing Specific Plan. Therefore, staff recommends that the Planning Commission adopt Resolution 2025-12, approving the project as conditioned.

Alternative Actions: Actions that the Planning Commission may take as an alternative to the recommended action include:

1. Continue the public hearing to a date and time certain. The Planning Commission may request additional information from the applicant and/or staff. (If new information is presented at the next meeting, the public portion of the hearing must be reopened on the new information submitted.)
2. Find that an exemption to CEQA is not suitable and require further environmental review.
3. Land Use Permits
 - a. Approve the Development Permit and Tentative Map, subject to adding, modifying, or eliminating any provision or condition of approval of the project.
 - b. Deny the Development Permit and Tentative Map on the basis that one or more of the required findings cannot be made.

Attachments:

Attachment 1: Draft Resolution 2025-12

Exhibit A: Project Plans

Exhibit B: Conditions of Approval

Exhibit C: Findings

Exhibit D: Gray’s Crossing Specific Plan EIR Mitigation Measures

Attachment 2: Gray’s Crossing Specific Plan

(<https://www.townoftruckee.gov/DocumentCenter/View/718/Grays-Crossing-Specific-Plan-PDF>)

Attachment 3: Gray's Crossing Letter to Owners dated March 27, 2025