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March 27, 2025

DK Alviso LLC
c/o Paradigm Partners LLC
13051 Fairway Drive
Truckee, CA 96161

hparzybok@paradigm8.com
bhelm@paradigm8.com

RE: Gray's Crossing Specific Plan Development Capacity

Dear Hayes Parzybok and Brian Helm:

The Town has looked into the Gray's Crossing Specific Plan to identify the remaining residential capacity allowed in the area. The purpose of this letter is to make sure there is a clear, common understanding of the anticipated potential for the Cottage site (Lot B of Gray's Crossing Phase 1) and Lots D and F of Gray's Crossing Phase 3 in the Gray's Crossing Specific Plan area and identify possible next steps.

Allowed Development Capacity

Based on our research, we have identified the following areas in which the Gray's Crossing Specific Plan has depicted or described allowed residential development capacity:

Table 1: Development Capacities Identified in the Gray's Crossing Specific Plan*

Type	Tentative Map Written Description in the Specific Plan	Tentative Map Exhibit in the Specific Plan	Construction Phasing in the Specific Plan
Single-Family Residential	410	408	408
Cottage Units	57	89	89
Attached Units	48	116 (36 in the Village)	83
Affordable Housing	92	92	92
Live/Work Lofts	21	Not shown	At least 18

*The information in this table was previously published in the July 16, 2019 Planning Commission staff report for the Village at Gray's Crossing

As you can see from the information in the table, there are varying residential quantities identified in the Specific Plan. In addition to these quantities, the Development Agreement for the Gray's Crossing Specific Plan included 408 single-family residential, 115 Attached Units,

89 Cottages, 92 rental units, and 21 studio live/work lofts, similar to the Tentative Map exhibit in the Specific Plan. However, the Development Agreement has since expired and is no longer applicable.

In order to seek clarity on which quantities were approved without the benefit of the Development Agreement, staff referenced the Gray's Crossing Specific Plan Environmental Impact Report (EIR), which identifies the following residential uses:

- 410 single-family residential lots proposed to be developed in four phases
- 57 cottage lots that allow for cottage units proposed to be developed in Phase I
- 21 live-work lofts located above the retail floor in the Village Center
- 48 attached housing units, in a village setting, ranging from studio flats to 3- and 4-bedroom townhomes; and
- 92-unit affordable/employee housing complex

The description in the EIR Project Description matches the Specific Plan's Tentative Map Written Description. Further, the EIR describes that the "project proposes the development of 48 individual units to be contained within 16 parcels and to be completed over two phases, including 10 parcels (32 units) within the Village Center and the remaining 6 parcels (16 units) located south of the Village Center and adjacent to the employee/affordable housing complex."

Due to the consistency between the written description in the Specific Plan and the project that was analyzed in the EIR, staff believes that these figures are considered the base residential density that was approved without the benefit of the Development Agreement and the agreed upon terms for additional affordable housing. With the expiration of the Development Agreement, the base residential density governs. Therefore, moving forward, the maximum development capacity of the Gray's Crossing Specific Plan area is required to be consistent with the "Tentative Map Written Description in the Specific Plan" and the description in the EIR.

This information clarifies the remaining development capacity in the Gray's Crossing Specific Plan, particularly Lot B of Gray's Crossing Phase 1 (also known as the Cottage site; APN 019-770-002) and Lots D and F of Gray's Crossing Phase 3 (APNs 043-010-005 and 043-010-007). For Lot B, the maximum density of the site is 57 cottage units. The Gray's Crossing Specific Plan describes "cottage units" as one- or two-story attached or detached units with minimal individual land ownership with shared common courtyards or recreation areas designed to serve individual clusters of four to eight units. For the Village at Gray's Crossing and Lots B and D, the Gray's Crossing Specific Plan allows 48 attached units, shared among all three areas.

Development Capacity Remaining

The Town has determined that 377 single-family residential parcels were created through recordation of three final maps (Grays Crossing Phases 1, 2, and 3) and 92 affordable housing units were constructed. As part of the 2019 Village at Gray's Approval, 21 live/work lofts were approved. Additionally, in the Village at Gray's Crossing, the following Attached Units were constructed or approved:

- 17 townhomes were constructed as part of the 2007 approval
- 24 townhomes were approved in 2019 with 12 constructed and 12 unbuilt to date
- One fourplex was approved in 2019 and constructed

In total, the Village at Gray’s Crossing has been approved for 45 Attached Units with 33 units constructed and 12 approved but unconstructed. With the 45 Attached Units that have been approved to date, only three Attached Units remain to be approved. Table 2 shows the status of the residential unit capacity in Gray’s Crossing.

Table 2: Status of Residential Units in Gray’s Crossing

Type	Tentative Map Written Description in the Specific Plan	Status of Existing and Approved Residential Units	Remaining Units
Single-Family Residential	410	377 single-family residential units recorded	33
Cottage Units	57	None approved/constructed	57
Attached Units	48	45 approved with 33 constructed in the Village at Gray’s Crossing	3
Affordable Housing	92	92 constructed (Hennes Flats)	0
Live/Work Lofts	21	21 approved as part of the Village at Gray’s Crossing	0

Since only 377 single-family residential parcels have been created out of the 410 single-family residential parcels that were approved, there is an additional density of 33 residential units available. Further, four single-family residential units have been lost through mergers of lots (Gray’s Crossing Phase 1: Lots 35 and 36 were merged into one parcel; Lots 42 and 43 were merged into one parcel, and Lots 47 and 48 were merged into one parcel; and Gray’s Crossing Phase 2: Lots R29 and R30 were merged into one parcel).

With the remaining 57 cottage units, three Attached Units, 33 undeveloped single-family lots, and the four single-family units lost through mergers, there are a total of 57 cottage units allowed and 40 remaining other residential units that can be approved in the Gray’s Crossing Attached Units sites. The 57 cottage units are allocated to Lot B in Gray’s Crossing Phase 1, the RS-zoned parcel. The remaining 40 units are allowed in Lots B and D of Gray’s Crossing Phase 2, the RM-zoned parcels. Table 3 shows how the units are distributed.

Table 3: Remaining Development Capacity

Type	Remaining Units	Total	Location
Cottage Units	57	57 units	Lot B
Single-Family Density Unused	33	40 units total	Shared between Lots D and F
Attached Units	3		
Single-Family Units Lost Through Merger	4		

Next Steps

Currently, the Town is processing Planning Application 2022-00000079 (Gray’s Crossing Lot F Development Permit) which proposes 36 attached residential units on Lot F of Gray’s Crossing Phase 2. If this project is approved as proposed, four residential units would be allocated to Lot D of Gray’s Crossing Phase 2. If this project does not move forward or is not approved, the 40-unit development capacity would be allocated between both Lots D and F for future projects. In general, the use of this development capacity is on a first-come-first-serve basis since the Gray’s Crossing Specific Plan did not specify otherwise. However, for any future projects, at least two units will be required to be allocated to either Lot D or Lot F to ensure a minimum development of two attached units on either lot.

If you would like to pursue alternatives to the residential capacity, a Gray's Crossing Specific Plan Amendment would be the appropriate process to explore potential increases in density on your property. Additional environmental review would likely be required. If you choose to pursue this path, we recommend that you reach out to the Planning Division for more information. Please note that the Specific Plan amendment process is a legislative decision that will ultimately be reviewed by the Town Council. At this time, it is unknown if the Council would support an increase in density or what that density could be; public outreach will be a key component in ensuring a successful amendment. If you choose to move forward with this option, the amendment could be reviewed concurrently with an application for development. We recommend this comprehensive approach for efficiency in process and for transparency to the community and decision makers.

If you have any questions about this letter or the Gray's Crossing Specific Plan, please feel free to contact me at ydahn@townoftruckee.gov or by phone at 530-582-2918.

Sincerely,

A handwritten signature in blue ink that reads "Yumie Dahn". The signature is fluid and cursive, with the first name being more prominent.

Yumie Dahn
Principal Planner