

Opinion: Cold Truckee, hot development

By Joe Mathews

One of California's hottest development projects can be found in one of its coldest towns.

In an era of neighbor-bites-neighbor fights against big developments, perhaps it's fitting that one antidote should emerge from the Donner Pass. Tiny Truckee—a snowy municipality of 16,300—is doubling the size of its downtown.



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The Railyard Project—it's a converted railyard—shows that communities can overcome NIMBYism, environmental litigation, and all the usual California obstacles in pursuit of transformational development. The project also shows just how difficult such transformations have become in a state once famous for dramatic change.

Truckee's ambition is startling. First, it's starting with affordable housing—often the last type of housing to be added to a project, given the political and financial challenges. Second, it's exactly the sort of dense, urban development that draws fierce opposition in the state's biggest cities.

While the project has gotten little notice outside the Sierra, that seems likely to change as construction continues. The

project has used innovative financing mechanisms, including dollars from the state's cap-and-trade program. It is likely to employ factory-made housing as a way of reducing the sky-high costs of construction. And gubernatorial frontrunner Gavin Newsom has praised Truckee for supporting smart development.

For Truckee, the project is a culmination of a quarter-century journey. While the town dates to the 1870s, it only incorporated in 1993, because residents of the 34-square-mile town wanted control over land-use planning after years of new house-building on its outskirts by Bay Area vacationers. The final straw was the county's imposition of a K-Mart outside downtown, despite objections to the traffic it would create.

The new town embarked on a general plan for Truckee. And after being asked for ideas, Truckee's people seized on a vision of smart growth, with a bigger downtown offering more for year-round residents.

The obvious place for expansion was a Union Pacific railyard next to downtown. The town used a state grant to create a master plan for the railyard, then spent years convincing Union Pacific to sell the property. The town also collaborated with a patient Bay Area developer with ties to Truckee, Rick Holliday.

Over the past decade, the plan has survived blows that have killed other projects. A CEQA lawsuit against the plan—litigation that routinely blocks approval of developments around the state—failed. The Great Recession put the project on ice. Then, in 2011, Gov. Jerry Brown and the courts killed the redevelopment program that Truckee was intending to use to finance the project.

Instead, Holliday secured more than \$12 million in cap-and-trade dollars—on the basis that the railyard would be the sort of affordable, infill, higher-density development that means

people drive less, and produce fewer greenhouse gases. With other cap-and-trade funds going to projects in more coastal and populated places, Truckee offered the possibility of a rural showcase.

The plan has been tweaked and updated repeatedly, in response to constant input by residents, many of whom have lived there since before incorporation and feel deeply invested in the project.

The operations of the railroad have been relocated, and roads, water and sewers have been put in. Construction on the affordable housing begins this summer.

“This is the most strongly supported project that I’ve ever seen in this community,” said Tony Lashbrook, the longtime town manager who retired last year.

As it goes forward, the project faces questions that could resonate across the whole state. Can California communities really pull off a modern development next to a historic downtown and make it seamless, adding value to both? How well does cap-and-trade perform as a financing mechanism? And will people really gravitate to more urban housing types in places that don’t meet the usual definition of urban?

If the project succeeds, it could be a signal moment for California’s mountain communities, as they struggle to keep and attract new generations of residents. When your thin-blooded Angeleno columnist visited freezing Truckee last December, I was struck by the community enthusiasm, including from millennials who moved to Truckee because they like the outdoors and because their employers let them work remotely. “Isn’t it great that we’re in charge and getting what we want?” one local asked rhetorically.

But others wondered whether people will have second thoughts when they see the four story-affordable housing building—tall for Truckee—go up. More recently, a grocery store that was

supposed to be part of the railyard project pulled out after the town council approved a Raley's outside downtown.

Still, it's a good bet that the railyard will eventually put Truckee on the map for reasons beyond tourism and snow.

Joe Mathews writes the Connecting California column for Zócalo Public Square.