City Council Agenda

City of Campbell, 70 N. First St., Campbell, California

Call to Order

Public Portion

Agenda Items

1. **Vehicle Miles Traveled (VMT) for CEQA Review**
   Recommended Action: Discuss Senate Bill 743 and its requirement of using Vehicle Miles Traveled (VMT) for analyzing transportation impacts under the California Environmental Quality Act (CEQA) beginning July 1, 2020.

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City Council Report

Item: 1 SS
Category: Study Session
Meeting Date: June 16, 2020

TITLE: Vehicle Miles Traveled (VMT) for CEQA Review

RECOMMENDED ACTION

Discuss Senate Bill 743 and its requirement of using Vehicle Miles Traveled (VMT) for analyzing transportation impacts under the California Environmental Quality Act (CEQA) beginning July 1, 2020.

OBJECTIVES

The purpose of this Study Session is to provide background information regarding Senate Bill (SB) 743, the State's requirement of using VMT for analyzing transportation impacts under CEQA, and to identify issues for consideration as the City begins the process of establishing its VMT Policy.

BACKGROUND

On May 7, 2020, the Public Works Department sent the City Council a memorandum (Attachment A) that introduces SB 743. This State law requires all local agencies to begin using VMT by July 1, 2020. VMT will replace the current Level of Service (LOS) method as a metric for assessing transportation impacts of land use and transportation projects.

Highlights of this memorandum are as follows.

- SB 743 changes how transportation impacts are to be analyzed under the California Environmental Quality Act (CEQA).
- For decades California jurisdictions used LOS as the metric for evaluating transportation-related impacts of land use and transportation projects under CEQA.
- The Governor's Office of Planning and Research (OPR) identified VMT as the most appropriate metric to evaluate the transportation-related environmental impacts of a development project.
- VMT shall be used as the sole measure of the transportation impacts for purposes of CEQA beginning on July 1, 2020.
- Staff had originally planned to have the VMT transition included in the preparation of the Transportation Element of the General Plan update. However, once it became clear that the General Plan update would not be completed by

July 1, 2020, staff began planning to present this information through a series of Council Meetings between April and June 2020. The current Shelter-In-Place Order has resulted in a need to revisit the implementation plan for VMT adoption.

The Governor's Office of Planning and Research's (OPR) publication "*Technical Advisory on Evaluating Transportation Impacts in CEQA"* provides further background regarding the purpose of SB 743 as follows.

- To achieve the State's long-term climate goals, California needs to reduce per capita VMT.
- Half of California's GHG emissions come from the transportation sector.
- Employing VMT as the metric of transportation impact statewide will help to ensure that the State's GHG reduction goals will be achieved.
- Implementation of VMT as a metric will rely, in part, on local land use decisions to reduce GHG emissions.

DISCUSSION

The Public Works Department has entered into an agreement with Hexagon Transportation Consultants to assist staff in the development of a VMT Policy and a methodology regarding how to analyze development projects in the future. A representative from Hexagon will present information to Council regarding the following:

What is VMT?

VMT (Vehicle Miles Traveled) is a metric that measures the amount of vehicular travel across the transportation network. VMT is the measure of distance in miles that a vehicle travels, with one-mile equivalent to one VMT. One vehicle traveling ten miles would equal 10 VMT; two vehicles traveling ten miles represent 20 VMT.

Typically, development located a greater distance from other land uses or in areas with few transportation options generates vehicle trips of greater length (and therefore, more VMT) than development located near other uses or in areas with many transportation alternatives.

Why VMT?

SB 743 dictates that VMT shall be used as the sole measure of the transportation project land impacts for purposes of CEQA. A project is presumed to have a significant transportation impact if it results in a VMT above an adopted threshold.

Benefits of using VMT include encouraging infill development, reducing GHG emissions, and unburdening the transportation system. While LOS as a metric encourages expansion of the roadway network (e.g., number of travel lanes), VMT as a metric

decreases travel demand, increases use of alternative transportation modes like bicycling, walking, and transit, and ultimately reduces GHG emissions.

OPR Recommendations

Exempt Projects

OPR recommends criteria by which certain land use projects can be assumed to have less-than-significant VMT impacts. These criteria are as follows.

- Small infill projects: generating fewer than 110 daily trips.
- Local-serving retail projects: up to 50,000 square feet.
- Affordable housing projects, all assumed to have less-than-significant transportation impacts.

VMT Significance Thresholds

Generally, OPR recommends a 15-percent reduction in VMT below existing conditions for residential and office developments. Existing conditions may be based on the citywide, countywide, or nine-county Bay Area regional average VMT. OPR provides the lead agency with the choice of using the citywide, countywide, or regional average VMT per household (for residential) or per employee (for office and industrial).

OPR addresses retail differently. Because new retail development typically redistributes shopping trips rather than creating new trips, estimating the total change in VMT (i.e., the net difference in total VMT in the affected area with and without the project) is considered the best way to analyze a retail project's transportation impacts.

By adding retail opportunities into the urban fabric and thereby improving retail destination proximity, local-serving retail development tends to shorten trips and reduce VMT. Thus, lead agencies generally may presume such development creates a less-than-significant transportation impact.

Reducing VMT

Reducing VMT can be accomplished by a variety of means. Below are a few examples.

- Decreasing vehicular demand on the roadway network
  - Transportation demand management strategies
  - Adding bicycle, pedestrian, and transit infrastructure improvements
  - Bus and vanpools
- Shortening trips through land use management
  - Increasing the mix of land uses
  - Affordable housing
- Site design
  - Bicycle facilities, showers
  - Preferential parking for carpools.

What to Do with LOS

While VMT will be the metric to evaluate projects on a CEQA basis, the City may retain its existing LOS policy in the (current) General Plan and use LOS on a local level to identify improvements that would be funded and/or constructed by proposed projects (e.g., a street widening or intersection improvements). These improvements can be included as conditions of approval, but the results of LOS analysis cannot be used in determining a project's environmental impact. In addition, since the Congestion Management Program (CMP) legislation still requires ongoing monitoring and reporting, LOS analysis will still be used at least for CMP facilities until the State's CMP legislation is changed.

Questions to Consider Regarding VMT

Staff anticipates returning to Council in July, 2020 with a Draft VMT Policy for consideration. In anticipation of that meeting, staff is requesting the City Council's feedback regarding the following questions.

1. What should be considered a small development? Small infill projects are considered to have a less-than-significant transportation impact.and would not require any VMT analysis. Examples will be presented at the Council meeting.

2. What should be considered local-serving retail? Local-serving retail is also presumed to have a less-than-significant transportation impact and would not require any VMT analysis. This may need to be defined by square footage.

3. Should the VMT impact threshold be 15% or should it be below the current citywide average VMT per resident and per employee? 15% is the recommendation from OPR. The City may opt to use a different figure.

4. Should a transit priority area be considered? Access to transit would presumably reduce the VMTs associated with a development project. Projects within a transit priority area may be exempted from VMT analysis.

5. Should affordable housing be exempt from VMT analysis? Per OPR's technical advisory, 100% affordable housing can be assumed to cause a less-than-significant transportation impact. The City can further define this to exclude other housing development from VMT analysis.

6. Should the LOS policy be maintained? Should the City retain use of the LOS policy, it could continue to be used as a mechanism to improve the performance at certain intersections associated with development projects. It cannot, however, be used as a mechanism to evaluate the transportation impacts of a project.

FISCAL IMPACT

No fiscal impact is anticipated with the current discussion.

Prepared by: Matthew Jue

Matthew Jue, Traffic Engineer

Reviewed by: Todd Capurso

Todd Capurso, Director of Public Works

Approved by: Brian Loventhal

Brian Loventhal, City Manager

Attachment:

a. Introduction to Senate Bill 743

MEMORANDUM

City of Campbell

Public Works Department

To: Honorable Mayor and City Council **Date:** May 7, 2020

From: Todd Capurso, Public Works Director
Margarita Mendoza, Administrative Analyst

Via: Brian Loventhal, City Manager

Subject: Introduction to Senate Bill 743

INTRODUCTION

Senate Bill (SB) 743 is a landmark bill that changes how transportation impacts are to be analyzed under the California Environmental Quality Act (CEQA). The purpose of this memorandum is to provide an overview of the changes under SB 743 which require that all local agencies begin using Vehicle Miles Traveled as a metric to assess a projects transportation impact by July 1, 2020.

BACKGROUND

In 1970, CEQA legislation was enacted to require state and local agencies to identify the significant environmental impacts of projects and identify measures to avoid or mitigate those impacts. Since that time, most cities, including Campbell, have been evaluating transportation impacts based on intersection Level of Service (LOS). LOS is a qualitative measure of traffic congestion and the ability to maneuver. For signalized intersections, LOS is measured by the average delay experienced by motorists during peak hour traffic.

SB 743 requires cities to evaluate transportation impacts with metrics that promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses. The Governor's Office of Planning and Research (OPR) was tasked with amending the CEQA guidelines to provide an alternative to LOS for evaluating transportation impacts. Upon the completion of its work, OPR identified Vehicle Miles Traveled (VMT) as the most appropriate metric to evaluate the transportation-related environmental impacts of a development project. VMT measures the total amount of driving attributed to a proposed project. Instead of measuring a projects impact on traffic congestion, it will now measure whether or not a project contributes to other state goals, like reducing greenhouse gas emissions, developing multimodal transportation, preserving open spaces, and promoting diverse land uses and infill development.

Level of Service (LOS) and Vehicle Miles Traveled (VMT) Comparison

The LOS standard focuses on impacts at a specific location, such as a signalized intersection or a street segment. Similar to academic grading, LOS defines six levels of impact utilizing the letters A through F, with A being the best and F being the worst. LOS A reflects free-flow conditions where there is minimal delay, to LOS F where the vehicle demand exceeds roadway capacity and excessive delays are the result.

The standard for local intersections is typically LOS D, meaning traffic approaches unstable flow and drivers may find it difficult to maneuver, though peak-hour delays are acceptable. The standard for intersections belonging to the VTA's Congestion Management Program (CMP)

network of major intersections is LOS E, which represents unstable flow with stop and go traffic. In general, LOS impacts are mitigated by increasing roadway capacity such as street widenings or adding lanes.

VMT is the measure of distance in miles that a vehicle travels, with one-mile equivalent to one VMT. One vehicle traveling ten miles would equal 10 VMT; two vehicles traveling ten miles represent 20 VMT. Typically, development located at greater distance from other land uses or in areas with few transportation options, generates more vehicle trips and trips of greater length (and therefore more VMT) than development located near other uses or in areas with many transportation uses. VMT is an important input in the analysis of air quality and greenhouse gas (GHG) emissions and has been used for that purpose in preparing CEQA environmental review documents for several years. The implementation of SB 743 now dictates that VMT shall be used as the sole measure of the transportation project land impacts for purposes of CEQA. A project is presumed to have a significant transportation impact if it results in an increase in VMT compared to an adopted threshold.

Mitigating a VMT impact requires different types of actions than mitigating a LOS impact. VMT mitigations require actions that reduce the number or the length of vehicle trips generated by a project, such as modifying the project's characteristics or location so that it generates fewer vehicle trips or trips of shorter distance. Options for reducing VMT may include locating the project closer to public transit facilities, requiring that it provide amenities to support bicycling and walking, and other possibilities such as contributing to a local transit service and /or providing transit passes. Unlike LOS mitigation, VMT mitigation is not related to vehicle delay and is aimed at reducing trips instead of building improvements to increase roadway capacity.

While OPR provides guidance on how to assess the impacts of general project types, such as residential, office, and retail, the City Council may elect to adopt specific VMT impact thresholds for other project types (e.g. hotel, restaurant, etc.) so that staff can determine the transportation impact of a project based on whether the project results in an increase in VMT relative to the adopted thresholds. This adoption of VMT thresholds can occur after July 1, 2020.

NEXT STEPS

SB 743 requires the use of VMT measures for the purpose of determining CEQA transportation impacts of proposed land use projects beginning July 1, 2020. Staff was originally planning to have the VMT transition included in the preparation of the Transportation Element of the General Plan update. As such, the CEQA analysis for the General Plan would have included the appropriate VMT analysis for all land use designations proposed in the General Plan. If that would have been completed before July 1, 2020, the remaining work of developing VMT policies, thresholds, and potentially updating the Traffic Impact Analysis (TIA) policies would have been a logical next step. However, once it became clear that the General Plan update would not be completed by July 1, staff began planning to present this information through a series of Council meetings over the months of April, May and June. The current Shelter-In-Place order has resulted in a need to revisit the implementation plan for VMT adoption.

For the purposes of determining CEQA impact after July 1, 2020 but prior to the Council's adoption of VMT thresholds for specific project types, staff can utilize the regional guidelines and metrics set by OPR and VTA. Residential, office, and industrial projects in particular could easily be evaluated using OPR and VTA guidelines. Other project types, such as hotels, restaurants, and special types of retail, would require a more detailed analysis. However, there

is substantial research and technical assistance from private and public sources to provide staff with the tools to evaluate a transportation impact using VMT as a measure.

It should also be noted that while VMT will be the metric to evaluate projects on CEQA basis, LOS can still be used on a local level to identify improvements that would be created by proposed projects, for example a street widening. These improvements can be included as conditions of approval but the results of an LOS analysis cannot be used in determining a project's environmental impact. This will be discussed in more detail at an upcoming Council study session.

Depending on the status of the Shelter in Place order, staff will schedule a presentation and discussion in June 2020 in order to receive feedback and direction from the Council regarding several key issues that will lead to the development of VMT thresholds such as:

- What are the significant impact thresholds for VMT impacts?
- What projects are exempt from VMT analysis?
- Are transportation capital improvement projects subject to VMT analysis?
- Can cities retain LOS in some capacity?

Concurrently, staff has been working with the Valley Transportation Agency (VTA) on technical assistance matters such as providing estimates and maps of baseline VMT, development of a countywide VMT estimation tool, and meeting with a countywide working group to share information and best practices.

It is anticipated that staff will require the assistance of a consultant firm to guide the City through the complex process of transitioning from LOS to VMT. Given that the City is also in process of completing its General Plan update, there is also the opportunity for concurrent development of the VMT (and potentially LOS) thresholds to help define the Traffic Impact Analysis (TIA) process going forward. It is expected that this work can be completed over a period of two to three months.

ATTACHMENT:

1. SB 743 Fact Sheet

WHAT IS SB 743?

SB 743 REQUIRES CITIES TO EVALUATE TRANSPORTATION IMPACTS WITH METRICS THAT SUPPORT THE REDUCTION OF GREENHOUSE GAS EMISSIONS, DEVELOPMENT OF MULTIMODAL TRANSPORTATION NETWORKS, AND DIVERSIFICATION OF LAND USES. WHILE VEHICLE LEVEL OF SERVICE (LOS) WAS THE DEFAULT METRIC FOR DETERMINING TRANSPORTATION ENVIRONMENTAL IMPACTS FOR MANY YEARS, THIS VEHICLE OPERATIONS FOCUSED MEASURE DOES NOT SUPPORT STATEWIDE SUSTAINABILITY GOALS AND CAN NO LONGER BE USED WITHIN CEQA.

The California Environmental Quality Act (CEQA) requires development and transportation projects of a certain size to identify and publicly disclose environmental impacts, and to avoid or mitigate those impacts, if feasible.

Traditionally, CEQA transportation analysis has used LOS to define transportation impacts; however, SB 743 changes the requirements to better address sustainable transportation goals. LOS can no longer be used to measure transportation impacts; instead, the Governor's Office of Planning and Research (OPR) has recommended that lead CEQA agencies replace LOS with Vehicle Miles Traveled (VMT). This shift in metrics will better align transportation impact analysis and mitigation outcomes to reduce greenhouse gas emissions, encourage infill development, and improve public health. Cities can still use LOS within the local development review process to inform site access and traffic operations.

IMPLEMENTATION

Reflecting OPR's guidance, cities and other lead agencies are required to update their CEQA Guidelines to replace LOS with VMT per capita as the metric to evaluate environmental impacts related to transportation. To comply with SB 743, cities must take the following steps:

- Under CEQA, cities will need to select new metrics, establish thresholds, and develop mitigations.
- Outside of CEQA, cities will need to define the appropriate process for analyzing mobility conditions and determine what metrics they should maintain for non-CEQA local analysis purposes.
- Cities will need to coordinate across agencies that currently rely on LOS to define project impacts.

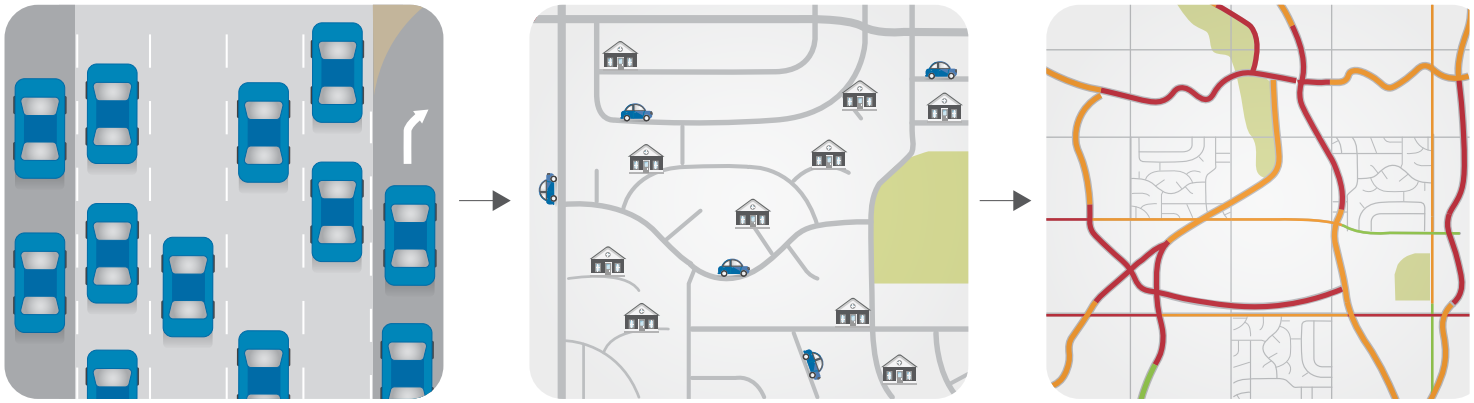
Cities should consider complimentary policy changes, such as adopting or amending transportation impact fees, developing a Transportation Demand Management (TDM) program, and/or adjusting parking requirements. Cities have until July 1, 2020 to comply with the new guidance, and may opt-in to use new metrics prior to that date.

WHAT IS LEVEL OF SERVICE?

Level of Service (LOS) is used to measure peak-hour vehicle delay at an intersection or in a vehicle lane. It is expressed as a letter grade, ranging from LOS A to LOS F, where LOS A represents free-flow conditions and LOS F represents over-capacity conditions experienced by drivers as congestion or traffic. Measuring LOS requires fine-grained traffic analysis that enables traffic engineers to understand how the roads are functioning.

LOS has traditionally been used to evaluate transportation impacts of a development project or a transportation project in CEQA. Common mitigations for unacceptable LOS increase road and intersection capacity by adding vehicles lanes, creating channelized turns, and prioritizing vehicle movement and speed over other community goals.

MEASURING TRANSPORTATION IMPACTS WITH LOS LEADS TO...



NARROW FOCUS ON INTERSECTION OPERATIONS PRIORITIZES VEHICLE MOVEMENT DURING PEAK COMMUTE HOURS

GREENFIELD DEVELOPMENT AND EXPENSIVE VEHICLE CAPACITY MITIGATIONS

WEAK MULTIMODAL NETWORK AND BROAD CONGESTION

A FOCUS ON MAXIMIZING ROAD AND INTERSECTION CAPACITY TO IMPROVE LOS HAS RESULTED IN THE FOLLOWING OUTCOMES FOR COMMUNITIES:

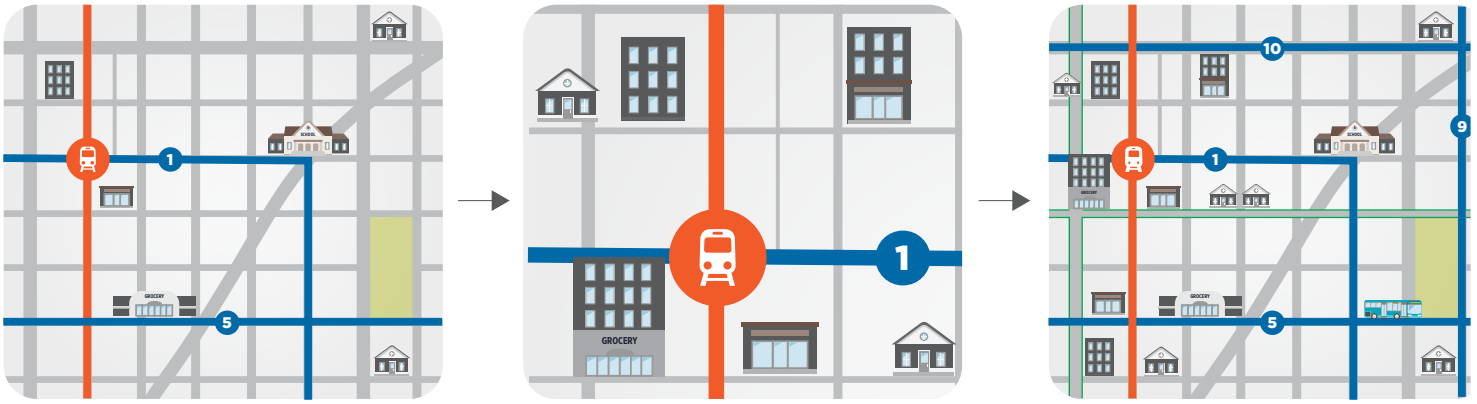
- Inhibits infill development and incentivizes greenfield and sprawl development, exacerbating regional congestion over time;
- Creates barriers to transit and active transportation projects;
- Fails to optimize the multimodal transportation network;
- Mitigation requires more road construction than local jurisdictions can afford to maintain.

WHY ADOPT VEHICLE MILES TRAVELED?

Vehicle Miles Traveled (VMT) measures the total amount of distance traveled by vehicles over a period of time within a geographic area. VMT can be modeled to estimate how much driving is expected based on land use and transportation infrastructure.

VMT per capita measures how many miles a person is likely to travel based on their home or work location and the existing transportation network and land use around that location. Effectively, a location that is walkable, bikeable, and transit accessible would perform well when using VMT per capita under CEQA. This metric favors development and transportation infrastructure that supports multimodal connections, thereby improving mobility and providing choices for people other than automobiles.

MEASURING TRANSPORTATION IMPACTS WITH VMT PER CAPITA LEADS TO...



HOLISITIC LOOK AT LAND USE AND TRANSPORTATION NETWORK PRIORITIZES NON-VEHICLE TRIPS

DEVELOPMENT IN LOW VMT PER CAPITA AREAS AND INFILL DEVELOPMENT

STRONG MULTIMODAL NETWORK AND LOWER VMT PER CAPITA

KEY BENEFITS OF USING THE VMT PER CAPITA METRIC INCLUDE THE FOLLOWING:

- Removes barriers to infill development;
- Sees the big picture (regional impacts, not just local);
- Easier to model than LOS (based on location rather than development-specific trip generation estimates);
- Already used in project analysis (e.g. for GHG emissions assessments);
- Provides a more accurate measure of transportation impacts;
- Mitigation reduces maintenance costs and does not induce more vehicle travel.

HOW TO MITIGATE VEHICLE MILES TRAVELED?

Cities and other lead agencies have discretion in the selection of VMT mitigation measures. Building upon studies, OPR suggests a number of potential mitigation measures to reduce VMT and recognize that agencies will continue to innovate and expand upon the suggested list of mitigation options.

Transportation Demand Management (TDM) strategies offer many possible mitigation measures. TDM refers to programs that work collectively to change how, when, where, and why people travel and reduce reliance on the single-occupant vehicl (SOV). TDM strategies include a range of biking, walking, transit, and carpooling incentives that can range from infrastructur improvements, such as bicycle parking, bus shelters, and sidewalks to information campaigns and financial incentives.

Land use management strategies also provide a means for reducing VMT. For instance, OPR recommends incorporating affordable housing into a project or increasing the mix of uses within the project or project's surroundings. Land use strategies are particularly important in neighborhood commercial areas that lack frequent transit. For example, if more services are provided closer to where people live then vehicle trip distances will be shorter.

Parking management is the most effective way to influence people's decisions about whether they choose to drive. Parking pricing and time limits can be used to incentivize parking turn over and thereby maintain an ideal occupancy rates in high value parking spaces. These tools also require people to think about the cost of vehicle trips and encourage other mode choices when possible. If parking costs more than walking or taking a bus, some people will choose the non-drive option.

MANAGING VMT LEADS TO SMART GROWTH...