



Date: August 22, 2019
 Current Meeting: September 11, 2019
 Board Meeting: N/A

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Technical Advisory Committee

THROUGH: General Manager, Nuria I. Fernandez

FROM: Interim Deputy Director Planning and Programming, Scott Haywood

SUBJECT: Update on SB 743 and LOS-to-VMT Transition

FOR INFORMATION ONLY

BACKGROUND:

Senate Bill 743 and Vehicle Miles Traveled (VMT)

Senate Bill (SB) 743, approved by the California Legislature in September 2013, includes changes to the California Environmental Quality Act (CEQA) and Congestion Management Program (CMP) law related to the analysis of transportation impacts. The bill directs the Governor's Office of Planning and Research (OPR) to develop alternative metrics to replace the use of vehicular "Level of Service" (LOS) for evaluating the transportation impacts of projects under CEQA. The OPR has determined that the primary metric to replace the use of LOS in CEQA will be Vehicle Miles Traveled (VMT). The State has set July 1, 2020 as the mandatory date to begin using VMT in CEQA documents, although agencies may change their CEQA practices before then.

Between December 2013 and November 2017, OPR released four rounds of guidance on implementing SB 743. The Santa Clara Valley Transportation Authority (VTA) staff brought information items to the Technical Advisory Committee (TAC), the Policy Advisory Committee (PAC) and the Congestion Management Program & Planning Committee (CMPP) after each of these rounds.

Recent Milestone - Adoption of Amended State CEQA Guidelines

In December 2018, the California Natural Resources Agency took a long-awaited step by finalizing amendments to the state CEQA Guidelines which included changes to implement SB 743. At the same time, OPR released an updated *Technical Advisory on Evaluating Transportation Impacts in CEQA*. These materials are available at <http://resources.ca.gov/ceqa/> and <http://opr.ca.gov/ceqa/updates/sb-743/>.

VTA is bringing this item to September 2019 Committees to share information on the recent milestones in the implementation of SB 743, provide an overview of VTA's efforts in this area, and to raise awareness of actions that may be required for Member Agencies to implement SB 743.

DISCUSSION:

Key changes to CEQA analysis of transportation impacts, effects on CMP and local transportation analysis, VTA efforts related to SB 743, and implications of SB 743 for Member Agencies are described below.

SB 743 Changes to CEQA Analysis

For a number of years, environmental review of proposed projects under CEQA has relied on vehicular LOS, a measure of vehicular delay or congestion, as a primary measure of transportation impact. Lead Agencies have analyzed LOS for proposed projects, disclosed impacts if the LOS exceeds an established threshold, and identified mitigation measures for these impacts where feasible.

SB 743 represents a major change in approach for CEQA transportation analysis. The legislation states that "Automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment" once the new guidelines are certified (21099 (b) (2)). As noted above, OPR has established VMT as the new primary metric for CEQA transportation analysis statewide, and the Natural Resources Agency finalized this change in December 2018, with a mandatory adoption date of July 1, 2020 to begin using VMT in CEQA documents.

SB 743 Effects on CMP and Local Transportation Analysis

State CMP law calls for the use of vehicular LOS in monitoring the performance of key transportation facilities and in analyzing transportation impacts of proposed land use developments, in urbanized counties that have a CMP. VTA, as the Congestion Management Agency (CMA), maintains the CMP for Santa Clara County in partnership with its 16 Member Agencies. The VTA CMP establishes a minimum standard of LOS E for CMP facilities. Additionally, many Member Agencies have established local LOS thresholds for non-CMP facilities.

SB 743 amends CMP law to reinstate the ability of cities and counties to designate "Infill Opportunity Zones" where the CMP LOS standard would not apply (65088.4). These areas may be established in Transit Priority Areas or high quality transit corridors with 15-minute or better service frequencies. A previous provision in CMP law allowing the establishment of Infill Opportunity Zones expired in 2009. In February 2018, the City of San Jose designated certain portions the city as Infill Opportunity Zones at the same time that it adopted a new VMT-based transportation analysis policy compliant with SB 743.

SB 743 does not preclude local agencies from applying LOS in General Plan policies, zoning codes, conditions of approval, or any other planning requirements pursuant to the police power or other authority. In other words, local agencies can retain LOS for a number of purposes, including transportation impact analysis studies, but cannot apply it to CEQA analysis.

VTA Efforts Related to SB 743 Implementation

The changes to transportation analysis in SB 743 will have significant implications for VTA as a CMA, transit agency, and CEQA Lead Agency on transit and roadway capital projects. In addition, VTA's Member Agencies will also be affected in their role as CEQA Lead Agencies. As a result, VTA staff has been taking a leadership role to steer VTA through the LOS-to-VMT transition process in its CMA and CEQA Lead Agency roles, and to help guide Member Agencies in their implementation efforts.

VTA's efforts related to SB 743 include the following:

- Convening a multidisciplinary LOS-to-VMT Ad Hoc Working Group of VTA and Member Agency staff (including staff from Planning, Public Works and Transportation departments) that has been meeting periodically since early 2018
- Preparing estimates of Baseline VMT (including jurisdictional VMT averages and "heat maps") across Santa Clara County using the VTA travel demand model, to assist Member Agencies in setting VMT thresholds to comply with SB 743
- Developing a countywide, web and Geographic Information Systems (GIS)-based VMT Estimation Tool for Land Use Projects that Member Agencies can use in CEQA evaluation of land use projects
- Working with VTA Member Agency staff to consider how the VTA CMP performance measures and policies might change to align with the direction of CEQA under SB 743
- Identifying what changes will be necessary to VTA's CEQA practices as Lead Agency on certain transportation projects, and preparing to implement them by July 2020
- Sharing information about SB 743 requirements and best practices with Member Agency staff, VTA Board Committees, transportation and environmental consultants, and interested advocacy groups and other stakeholders

Recent milestones in VTA's efforts include sharing Revised Draft Baseline VMT tables and heat maps with Member Agency staff for review in August 2019, and issuing a Request for Proposal (RFP) and procuring a consultant to develop the countywide VMT Estimation Tool for Land Use Projects in Spring/Summer 2019. VTA anticipates that the Baseline VMT tables and heat maps will be finalized in October 2019, and the web-based VMT Estimation Tool will be launched in spring 2020. More information about VTA's efforts on SB 743 implementation is available at www.vta.org/los-vmt <<http://www.vta.org/los-vmt>>.

SB 743 Implementation at VTA Member Agencies

VTA has been working closely with Member Agency staff to prepare for SB 743 changes for

several years. It is important to remember that VTA's authority to guide transportation analysis is tied to its CMA role. Each Member Agency, when acting as Lead Agency for CEQA purposes, is responsible for complying with state requirements and guidelines. According to OPR's guidance, each CEQA Lead Agency has the discretion to adopt its own VMT thresholds. *Therefore, each Lead Agency should consult with CEQA experts and legal counsel regarding their own CEQA practices and updates to local policies to implement SB 743.*

Through the Ad Hoc Working Group process, VTA has found that Member Agencies are at varying stages in implementing SB 743 changes locally - ranging from already having adopted new VMT-focused policies, to currently hiring consultants to advise on necessary changes, to not yet gearing up for this state-mandated transition.

VTA staff has prepared a fact sheet entitled "LOS to VMT Transition: Things Local Agencies Should Be Thinking About" to help Member Agencies in their SB 743 implementation efforts. This sheet includes suggestions about steps Member Agencies should be taking, when they should take those steps, and where VTA can and cannot provide advice with the transition. This fact sheet is provided as **Attachment A**.

VTA staff has also assembled a list of web links and resources related to SB 743 that may be helpful to Member Agencies. This list is provided as **Attachment B**.

VTA staff continues to be available as a resource for Member Agency staff through meetings and conference calls upon request.

Prepared By: Rob Swierk
Memo No. 7013

LOS to VMT Transition: Things Local Agencies Should Be Thinking About

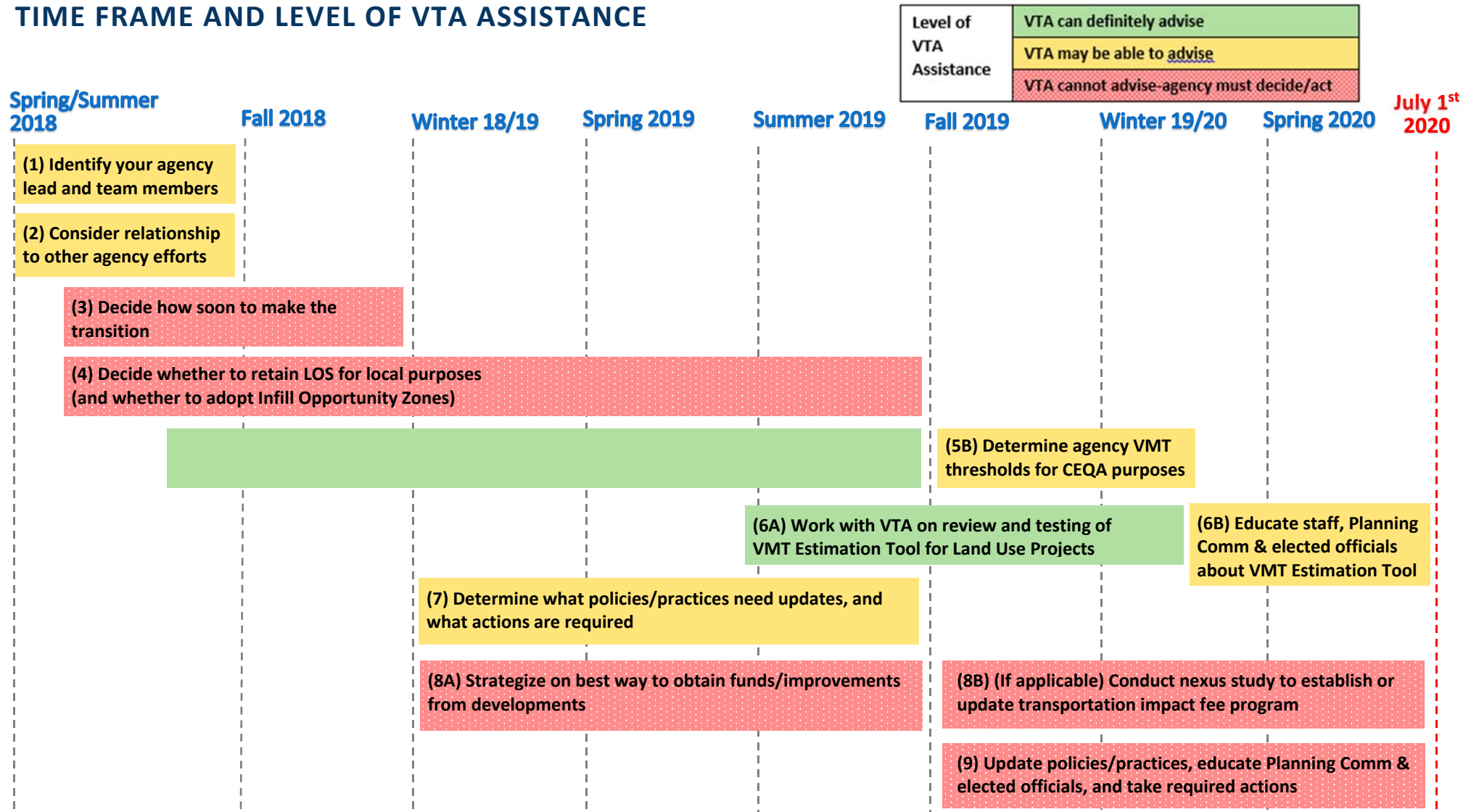
Version 3 – August 16, 2019



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Please note: Each Lead Agency should consult with CEQA experts and legal counsel regarding their own CEQA practices and updates to local policies

TIME FRAME AND LEVEL OF VTA ASSISTANCE



NOTES AND ADDITIONAL INFORMATION

1) **Identify your agency lead and team members**

Shifting from Level of Service (LOS) to Vehicle Miles Traveled (VMT) to align with Senate Bill (SB) 743 may involve staff in Transportation/Engineering, Planning, Environmental, Legal/Counsel, Economic Development, and City Manager/County Executive. Agencies may wish to engage consultant assistance in certain areas as well.

2) **Consider relationship to other agency efforts**

Shifting emphasis towards VMT may relate to other initiatives that are underway or planned at your agency, such as a General Plan update, area plan or major development project, implementation/update of a fee program, or implementation/update of a Transportation Demand Management (TDM) ordinance.

3) **Decide how soon to make the transition**

The amended CEQA Guidelines from the California Natural Resources Agency and the updated Technical Advisory from the Governor's Office of Planning and Research (OPR) issued in December 2018 called for all Lead Agencies to begin using VMT for CEQA purposes by **July 1, 2020**. Your agency should decide whether to make the switch now, or at the July 2020 mandatory date.

4) **Decide whether to retain LOS for local purposes (and whether to adopt IOZs)**

SB 743 requires that Lead Agencies stop using LOS/delay-based measures in CEQA, but does not change state Congestion Management Program law (which still emphasizes LOS) and does not prevent agencies from using LOS for local purposes under their police power. Whether to retain LOS for local analysis (and whether to designate Infill Opportunity Zones/IOZs if your agency is eligible) will depend on the goals and values of your agency and constituents.

5) **A) Review and provide input on Baseline VMT and land use inputs**

Baseline VMT levels are estimated using travel demand models which include land use inputs (numbers of people, households, and jobs allocated to zones) and a transportation network. VTA will provide draft Baseline VMT information and land use inputs for its agencies, but agency staff will need to review and provide input.

B) Determine what VMT thresholds your agency will select for CEQA purposes

OPR provides recommendations to help select thresholds (e.g., 15% below baseline levels in some cases, no net increase in others) but it is up to each Lead Agency to select thresholds. Agencies should educate Planning Commissioners and elected officials to help them understand the implications of the threshold selection.

6) **A) Work with VTA on review & testing of VMT Estimation Tool for Land Use Projects**

OPR gives Lead Agencies wide discretion on how to estimate VMT for specific projects. For land use projects, some projects may be "screened out" from VMT analysis based on their location and characteristics. For those that require analysis, larger or more complex projects may require running a model, but more routine projects may use a "sketch tool" (i.e., spreadsheet or web tool). VTA is developing a countywide web-based VMT Estimation Tool, but agency staff will need to review and test the tool, and determine methods for land use types not covered by the tool.

B) Train staff and educate Planning Commission/elected officials about use of VMT Estimation Tool for Land Use Projects

Once the countywide VMT Estimation Tool is available, local agencies should train their staff so they can explain the tool and interpret results. Agencies should also educate their Planning Commissioners and elected officials so they are prepared once projects with VMT analysis begin coming to them for review and action.

7) **Determine what policies/practices need updates, and what actions are required**

The use of LOS is often codified in an agency's General Plan, and then implemented through staff practice. However, agencies may have other Council-adopted policies, or other documents (such as staff-developed guidelines) that call for LOS analysis. Agencies should determine what updates are needed, and what actions (e.g., Council approval, staff-initiated changes) are required.

8) **A) Strategize on best way to obtain funds/improvements from developments**

Removing LOS from CEQA decision-making for land use projects removes one tool agencies have for obtaining transportation funds and improvements. Agencies should strategize on how to replace this tool. One option may be a new or updated transportation impact fee program.

B) (If applicable) Conduct nexus study to establish/update transportation impact fee

If an agency decides to pursue a new/updated impact fee, specialized consultant assistance is typically required to conduct a nexus study as the basis for adoption.

9) **Update policies/practices, educate Planning Commission/elected officials, and take required actions or approvals**

Based on the assessment in Item 7, agencies should educate their Planning Commissioners and elected officials about updated policies/practices, and take the necessary actions before July 2020.

Senate Bill 743 Level of Service (LOS) to Vehicle Miles Traveled (VMT) Transition List of Suggested Websites and Resources

Assembled by VTA staff – Updated August 16, 2019

The following are websites and resources on activities at the state level and outside Santa Clara County:

- **California OPR website on SB 743** – has resources on SB 743, advantages of VMT / disadvantages of Auto LOS, and latest Technical Advisory (Dec. 2018): <http://www.opr.ca.gov/ceqa/updates/sb-743/>
- **California Secretary of Natural Resources CEQA website** – has materials related to rule-making on the new CEQA guidelines, including Final Adopted Text (Dec. 2018): <http://resources.ca.gov/ceqa/>
- **Caltrans website on SB 743 Implementation** – includes research reports, Caltrans-specific resources and guidance, information on early adopters, and a list-serv sign-up: <https://dot.ca.gov/programs/transportation-planning/office-of-smart-mobility-climate-change/sb-743>
- **UC Berkeley Law research paper on VMT mitigation exchanges and banks:** <https://www.law.berkeley.edu/research/clee/research/climate/transportation/vehicle-miles-traveled/>
- **City of Pasadena - Presentation on Measuring Mobility – Pasadena’s Experience:** http://www.dot.ca.gov/hq/tpp/offices/owd/horizons_files/Pasadena_Metrics_072716_1.pdf
- **City/County of San Francisco’s Transportation Sustainability Program** (Invest, Align, Shift): <http://sf-planning.org/transportation-sustainability-program>
- **City of Oakland – Modernizing Transportation Impact Review website:** <http://www2.oaklandnet.com/government/o/PBN/OurOrganization/PlanningZoning/OAK060501>
- **City of Los Angeles – Modernizing Transportation Analysis website** – has two 5-minute videos, FAQ sheet, VMT Calculator, Transportation Assessment Guidelines: <http://ladot.lacity.org/what-we-do/planning-development-review/transportation-planning-policy/modernizing-transportation-analysis>
Los Angeles City Council action adopting new VMT-based transportation policy, 7/30/2019: <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=14-1169>
- **SANDAG (San Diego Association of Governments)** – website on Mobility Management Toolbox, including Mobility Management Guidebook, VMT Reduction Calculator Tool, training videos, Tool Design Document, and Recommendations for Application: <https://www.icommutesd.com/planners/TDM-local-governments>
- **San Diego ITE** – New TIS Guidelines for SB 743 (May 2019) - <https://sandiegoite.org/tcm-task-force>
- **UC Berkeley and Portland State University - Case Studies of Analysis and Mitigation for Implementing SB 743** – including case study write-ups, materials from March 1, 2019 webinar and a five short videos (4 to 6 minutes) on different SB 743-related topics: <https://www.sb743.org/>
- **CA Association of Environmental Professionals** – March 2019 AEP Conference – included several sessions on SB 743 and VMT analysis: https://www.califaep.org/2019_aep_conference.php

The following are key materials on the LOS-to-VMT transition produced by VTA and agencies in Santa Clara County:

- **VTA web home for LOS-to-VMT transition:** www.vta.org/los-vmt
- **VTA ‘Things Local Agencies Should Be Thinking About’ fact sheet** – updated August 2019 – available at www.vta.org/los-vmt
- **VTA ‘Vehicle Miles Traveled for Smarter Development’ webinar recording** – January 23, 2018: <https://www.youtube.com/watch?v=MOXkcrdshdk>
- **City of San Jose VMT Transition Website** – includes new VMT-based Transportation Analysis Policy (Feb. 2018), webinar on new policy (April 2018), updated VMT Evaluation Tool (Feb. 2019), Transportation Analysis (TA) Handbook, and VMT screening maps: <http://www.sanjoseca.gov/vmt>



Update on SB 743 and LOS-to-VMT Transition



VTA Advisory Committees
September 2019

Background: LOS and VMT

- Vehicular **Level of Service (LOS)** is a way of measuring transportation performance that focuses on delay and congestion; letter scale from A to F
- **Vehicle Miles Traveled (VMT)** measures the total amount of vehicular travel across the system, rather than at specific points; usually shown as average daily VMT per person



Background: VTA Guidance on LOS Analysis

- VTA in its Congestion Management Agency role has provided an established framework for LOS analysis

2017 CMP
2017 CONGESTION MANAGEMENT PROGRAM DOCUMENT
PREPARED BY THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
THE CONGESTION MANAGEMENT AGENCY FOR SANTA CLARA COUNTY
DECEMBER 2017

TRAFFIC LEVEL OF SERVICE ANALYSIS GUIDELINES
SANTA CLARA COUNTY TRANSPORTATION AUTHORITY
CONGESTION MANAGEMENT PROGRAM
ADOPTED | JANUARY 1995
UPDATED | JUNE 2003

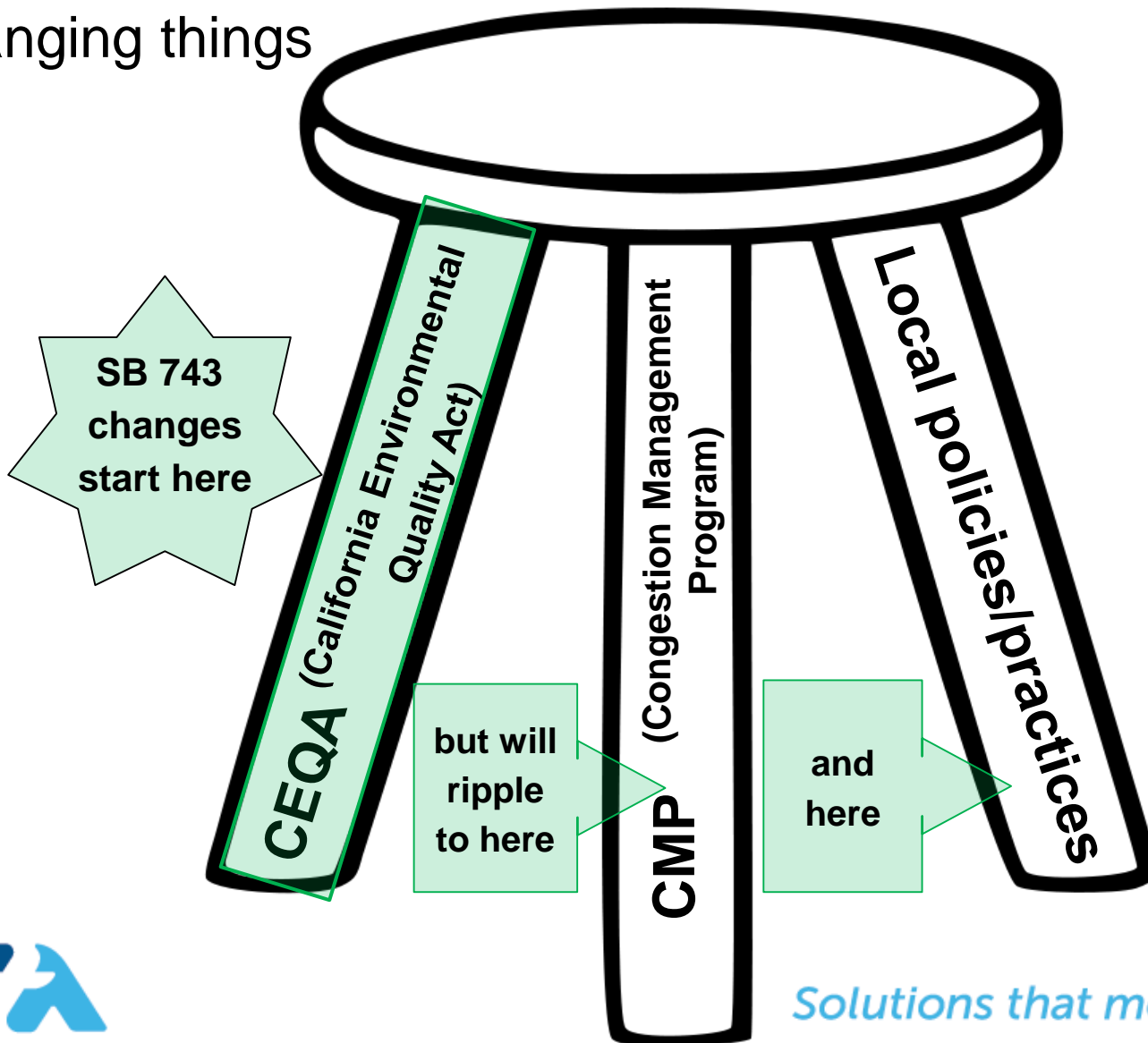
TRANSPORTATION IMPACT ANALYSIS GUIDELINES
ADOPTED OCTOBER 2014
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
CONGESTION MANAGEMENT PROGRAM



Solutions that move you

Transportation Analysis of Development Projects

How SB 743 is
changing things



Solutions that move you

Senate Bill 743 – Overview

SB 743 primarily changes CEQA:

- “**Automobile delay**, as described solely by level of service or similar measures... **shall not be considered a significant impact on the environment...**” (21099 (b) (2))
- New primary metric will be **VMT** – aligns with climate goals

Milestones:

- December 2018 – California Natural Resources Agency formally adopted new CEQA Guidelines
- San Jose, San Francisco, Oakland, Los Angeles have already switched

- **July 1, 2020 - Statewide deadline for use of VMT in CEQA**



Solutions that move you

SB 743 – CMP and Local Practice

SB 743 and Congestion Management Programs (CMPs):

- CMP law is still in place and calls for monitoring and maintaining an LOS standard
- SB 743 allows cities and counties to designate “**Infill Opportunity Zones**” (IOZs) where CMP LOS standard would not apply

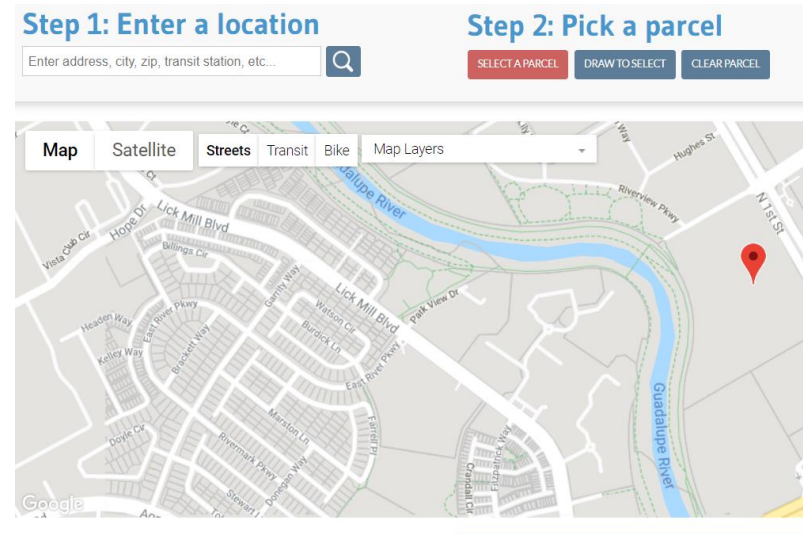
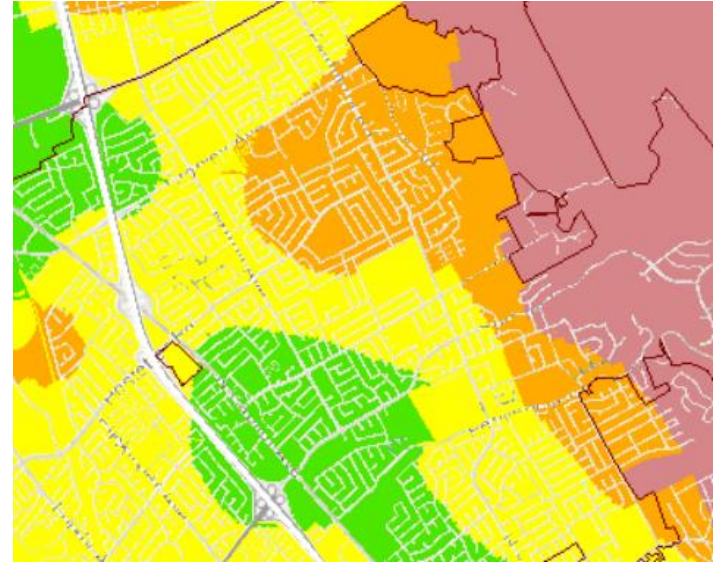
SB 743 and Local Practice

- SB 743 **does not preclude** local agencies from applying LOS in policies, codes, conditions of approval, etc.



Recent VTA Efforts on SB 743

- Developing **Maps of Baseline VMT** – for cities and the County to use in setting VMT thresholds
- Developing a **Countywide VMT Estimation Tool for Land Use Projects** – for cities and the County to use in their analysis of developments



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Recent VTA Efforts on SB 743

- Convening an **LOS-to-VMT Ad Hoc Working Group** of VTA and Member Agency staff
- **Reaching out to stakeholders** including Board Committees, transportation & environmental consultants, advocacy groups
- Identifying **changes to VTA's CEQA practices** as Lead Agency on transportation projects



SB 743 Implementation at VTA Member Agencies

- **Please remember: Each Lead Agency should consult with CEQA experts and legal counsel for their own CEQA practices and updates to local policies**
- Member Agencies are at varying stages – from already adopting policies, to hiring consultants, to not yet gearing up
- VTA prepared “Things Local Agencies Should Be Thinking About” fact sheet, and list of web resources/videos/etc.
- VTA LOS-to-VMT Transition website: www.vta.org/los-vmt



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Questions and Discussion



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