



Date: February 8, 2016
 Current Meeting: February 18, 2016
 Board Meeting: N/A

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Congestion Management Program & Planning Committee

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Planning and Program Development, John Ristow

SUBJECT: Update on SB 743 Changes to CEQA Transportation Analysis

FOR INFORMATION ONLY

BACKGROUND:

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. These changes are likely to have significant implications for VTA and Member Agencies.

Between December 2013 and February 2014, OPR circulated a *Preliminary Evaluation of Alternative Methods of Transportation Analysis*. Staff presented an overview of SB 743 for discussion at the April 2014 meetings of the Technical Advisory Committee (TAC), Policy Advisory Committee (PAC), and Congestion Management Program & Planning Committee (CMPP). OPR released the *Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing Senate Bill 743* in August 2014, and staff brought an update on SB 743 to Advisory Committees and CMPP in September 2014.

OPR released a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA* on January 20, 2016. This document is available on the OPR website at https://www.opr.ca.gov/s_sb743.php. OPR is accepting comments on the Revised Proposal through February 29, 2016. Once the comment period closes, OPR will review input and may revise the proposal. Next, OPR will submit the draft to the Natural Resources Agency, which will then commence a formal rule-making process.

VTA is bringing this item to February 2016 TAC, PAC and CMPP to share information on the Revised Proposal and help shape any comments that VTA may submit on the document. Staff

will provide further information and analysis at these meetings. VTA also strongly encourages Member Agencies to become familiar with SB 743 and OPR's Revised Proposal, and to submit their own comments as appropriate.

DISCUSSION:

Key changes to CEQA and CMP law in SB 743 are described below.

Changes to CEQA Criteria for Transportation Impacts

Both CEQA and CMP practice have for a number of years relied on vehicular LOS, a measure of vehicular delay or density/crowding, as a primary measure of transportation impact. The VTA Congestion Management Program establishes a significance threshold of LOS E for CMP facilities. This threshold applies when a Transportation Impact Analysis (TIA) is prepared for CMP purposes, and is also used as a CEQA threshold of significance for CMP facilities. Additionally, many Member Agencies have established local thresholds of significance for non-CMP facilities. When a project traffic analysis shows that vehicular traffic delay will exceed the LOS threshold established for a facility, the project must disclose a "Significant Impact" and identify feasible mitigation measures, per the requirements of CEQA.

SB 743 calls for OPR to develop new significance criteria to replace LOS in CEQA transportation analysis for projects. The legislation states that once the new criteria are adopted, "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" in the locations where the new criteria will apply (21099 (b) (2)).

Changes to Congestion Management Program (CMP) Law

SB 743 amends CMP legislation by reinstating the ability of cities and counties to designate "Infill Opportunity Zones" where the CMP level of service standard would not apply (65088.4). These areas may be established in Transit Priority Areas or high quality transit corridors with 15-minute service frequencies. A previous provision in CMP law allowing the establishment of Infill Opportunity Zones expired in 2009, and no Member Agency in Santa Clara County had utilized that provision prior to that date.

Implications for VTA and Member Agencies

The changes to CEQA and CMP transportation analysis in SB 743 will have significant implications for VTA as a Congestion Management Agency, transit provider, and CEQA Lead Agency on transportation capital projects. In addition, Member Agencies will also be affected in their roles as CEQA Lead Agencies. Key questions that staff has identified for further investigation include:

- Are VTA and Member Agencies comfortable with OPR's proposed new primary metric, Vehicle Miles Traveled (VMT), and how it would be applied?
- How will the new CEQA guidelines affect land use projects and development review?

- How will transportation capital projects be affected (e.g., transit, roadway, bicycle/pedestrian)?
- How will these changes affect cities' Traffic Impact Fee programs (current and future)?
- Is OPR's proposed two-year voluntary opt-in period responsive to VTA and Member Agency needs?
- Should the CMP performance measures and thresholds of significance be changed?
- Should Member Agency transportation performance measures for other purposes (e.g., General Plan Circulation Elements, development review) be changed?

VTA's Roles and Next Steps

As the Congestion Management Agency (CMA), transit provider, and CEQA Lead Agency for transit and highway capital projects, VTA will play a critical role in implementing SB 743 in Santa Clara County. Staff has identified the following roles for VTA:

- Share information with and educate Member Agencies.
- Facilitate discussions and help gather input from Member Agencies.
- Provide comments on OPR's draft guidelines.
- Evaluate and help guide the development of thresholds of significance for VMT in transportation analysis in Santa Clara County.
- Include an update to the CMP performance measures and thresholds of significance in the biennial CMP update in future years.

Prepared By: Robert Swierk
Memo No. 5444

Update on SB 743 Changes to CEQA Transportation Analysis: Summary of Revised Proposal from Governor's Office of Planning and Research

Background:

What does SB 743 do?

- Senate Bill (SB) 743 directs the Governor's Office of Planning and Research (OPR) to establish new criteria for determining transportation impacts under the California Environmental Quality Act (CEQA).
- The new criteria will replace the use of Auto Level of Service (LOS), the letter-grade system of evaluating roadways based on auto delay or congestion.
- SB 743 text states: "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."
- The new criteria OPR develops must "promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses."

Where have we been with SB 743?

- SB 743 was passed in September 2013.
- OPR released preliminary discussion proposals in December 2013 and August 2014, and a Technical Advisory in July 2015. In these proposals, OPR indicated that Vehicle-Miles-Traveled (VMT) will be the new primary measure of transportation impact.
- VTA staff brought information items to TAC, PAC and CMPP in April 2014 and September 2014. Staff has also shared information through TAC Working Groups, and participated in numerous staff-level discussions with OPR and other agencies.
- VTA submitted a brief comment letter, in April 2014, generally supporting OPR's direction and emphasizing the role of Congestion Management Agencies (CMAs) in implementing SB 743, as well as detailed technical comments on the August 2014 preliminary discussion proposal.

What does SB 743 leave alone?

- SB 743 does not preclude local agencies from considering LOS in local transportation planning – for instance, in General Plan policies and Transportation Impact Fee (TIF) programs.
- SB 743 does not directly affect the use of LOS in Congestion Management Programs (CMPs). At this point, CMPs may still use LOS in planning and monitoring roadways. SB 743 does allow local agencies to designate zones where CMP LOS standards do not apply.

OPR's January 2016 Revised Proposal:

(https://www.opr.ca.gov/s_sb743.php)

Base Assumptions – unchanged from OPR 2014/2015 proposals

- Primary Metric: VMT is still proposed as the primary metric of transportation impact across the state.
- Certain Land Development Projects Presumed Less Than Significant: Land development near transit or in VMT-efficient areas should be presumed to cause a less than significant transportation impact.
- Certain Transportation Projects Presumed Less Than Significant: Transit, active transportation, and rehabilitation projects that do not add motor vehicle capacity should also be presumed to cause a less than significant impact.
- Phase-In: Implementation would be phased in over time.

What's New in the 2016 Revised Proposal

- Format: Most detail moved to a Technical Advisory – allows more flexibility.
- Land Development Project Analysis: OPR recommends that the threshold of significance for residential or office projects would be VMT (per capita or per employee) of 15% less than existing development. For retail projects, the threshold would be a net increase in total VMT over the affected area.
- Transportation Project Analysis: The addition of through lanes (including general purpose/HOV/peak period/auxiliary lanes, but not tolled or Express lanes) should undergo VMT analysis. The analysis should account for induced demand. Significance would be based on a “fair share” of allowable VMT increase statewide.
- Safety Impacts: OPR has provided more guidance on considering safety impacts, with an emphasis on vehicular speed, protecting vulnerable roadway users, and reducing overall VMT.
- Opt-In Period: OPR has called for a 2-year “opt-in” period where agencies that are ready to make the switch can do so, while other agencies can take time to prepare.

Next Steps:

- Comment Deadline on Revised Proposal: Monday, February 29, 2016
- Natural Resources Agency Rule-making: After current comment period and possible revisions, OPR will submit the draft to the Natural Resources Agency; rule-making takes roughly 6 months.
- Review by Office of Administrative Law: OPR estimates roughly 60 days.
- Effective Date/Start of Opt-in Period: Potentially January 2017
- Rules Effective Statewide: 2 years after Effective Date – potentially January 2019

VTA strongly encourages all local agencies to become familiar with SB 743, and submit their own comments on the Revised Proposal as appropriate. VTA will bring further updates as we approach the Effective Date.