



Western Riverside Council of Governments Planning Directors Committee

Staff Report

Subject: Adoption and Implementation of Senate Bill 743

Contact: Chris Gray, Director of Transportation & Planning, cgray@wrcog.us, (951) 405-6710

Date: February 13, 2020

The purpose of this item is to provide an update on recent developments related to Senate Bill (SB) 743 implementation.

Requested Action:

1. Receive and file.

SB 743 changes how transportation impacts are measured under the California Environmental Quality Act (CEQA) from using vehicle Level of Service (LOS) to using Vehicle Miles Traveled (VMT). To implement the legislation, lead agencies will need to determine appropriate VMT methodologies, thresholds, and feasible mitigation measures. WRCOG undertook a study to help its member agencies understand the specific questions that need to be addressed when making these determinations and to provide research, analysis, and other evidence to support their final SB 743 implementation decisions. SB 743 must be implemented by lead agencies by July 1, 2020.

Background

SB 743 requires local agencies to use VMT as an impact criterion when evaluating a project's transportation impacts under CEQA. Historically, delay and congestion were the metrics used when evaluating transportation issues. Since few agencies use VMT to analyze transportation impacts, there is a need to develop appropriate guidance for projects subject to environmental review. This guidance will ensure that all projects subject to review by that agency use the same data, approaches, and analytical tools.

Recent Developments

On November 26, 2019, a decision was published by the Third Appellate District for the California Court of Appeals that directly addressed SB 743. The Court reached three major findings:

- When considering issues like SB 743 and its applicability, the timing is determined by the date the document was circulated, not when it was reviewed
- VMT analysis is not required at this time, since the requirement does not apply until July 1, 2020
- LOS cannot be used in the context of CEQA decision-making for transportation-related impacts

Based on WRCOG's research, the first two items can be viewed in a positive light, meaning that projects are not yet required to consider VMT as a transportation impact and it verifies that the requirement does not apply until July 1, 2020.

However; the third conclusion is problematic since many jurisdictions are currently evaluating projects using LOS solely as the basis for transportation impacts under CEQA. Based on this conclusion, there are on-going

discussions between various CEQA attorneys, transportation consultants, and agency staff who have generally recommended one of three courses of action:

- Implement VMT thresholds and methodologies as soon as possible
- Develop alternative transportation thresholds based on other aspects of the CEQA checklist. Some of these alternative thresholds rely on impacts to the roadway system in terms of safety, roadway design, and other physical impacts
- Continue with LOS-based impact analysis

WRCOG recommends that each member agency consult with its legal counsel to determine the most appropriate course of action for projects which are currently in process.

There is clear agreement on one topic – VMT analysis will need to be incorporated into any environmental documents circulated after July 1, 2020. Because of that, WRCOG strongly recommends that each of its member agencies move forward with implementing SB 743 based on the materials previously generated by WRCOG.

SB 743 Adoption

WRCOG member agencies will have to adopt a resolution to implement SB 743. A draft resolution is attached for reference along with a template Staff Report. It is important to note that the jurisdiction must, at the very least, follow its standard protocol in adopting resolutions. CEQA indicates that thresholds of significance must be adopted pursuant to a process that allows for public input but there is no minimum notice requirement. It should be sufficient if the jurisdiction publicly circulates a proposed threshold for 30-day comment ahead of adoption. WRCOG also recommends that including the resolution as part of noticed public meetings before the City Council (and perhaps the Planning Commission, too). Member agencies may also opt to hold formal public hearings (with 10-day notice circulated ahead of time). Again, we encourage you to consult with your agency legal counsel to determine the

In addition, the jurisdiction's Traffic Impact Analysis Guidelines (Guidelines) must also be revised and adopted to ensure consistency with SB 743 implementation. In order to lessen the resources needed from jurisdictions to implement SB 743 prior to July 1, 2020, WRCOG developed the Guidelines to incorporate required aspects of the legislation into the guide. The update focused on two main components: (1) VMT guidance consistent with information from the WRCOG SB 743 Implementation Pathway Study, and (2) updates to the LOS guidelines currently being utilized in the subregion. The updated guidelines outline VMT impact thresholds and mitigation requirements. The agency should consider adopting the updated guidelines concurrently with the adoption of VMT related materials as well.

The resolution should address the topics below.

Methodology

Baseline VMT Methodology and Data: Base Year (2012) total VMT per service population (i.e., population plus employment), home-based VMT per capita, and home-based work VMT per worker were calculated using outputs from the Southern California Association of Governments' (SCAG) Regional Transportation Plan travel forecasting model and the Riverside County Transportation Analysis Model (RIVTAM). In addition, data from the California Household Travel Survey was used to compare model derived estimates of home-based VMT with those based on survey observations. VMT results and comparisons of results from different data sources were displayed graphically to aid in determining the appropriate VMT metric and data source for calculating VMT for use in the WRCOG subregion.

Based on the different options analyzed, **WRCOG's preferred method is to utilize the Riverside County Travel Demand Model (RIVTAM / RIVCOM) and the VMT per service population data.** Jurisdictions and technical experts have been utilizing RIVTAM since 2009, so there is a familiarity with the model. In addition, WRCOG is developing a new version of the model, RIVCOM, which will be updated and refined to improve compliance with SB 743 expectations (i.e., full external trip lengths). In addition, normalizing VMT per service

population essentially provides a transportation efficiency metric that the analysis is based on. Using this efficiency metric allows the user to compare the project to the remainder of the project area for purposes of identifying transportation impacts.

Tools Assessment: The capabilities of travel forecasting models along with 11 sketch model tools were reviewed to determine their strengths and weaknesses in generating appropriate VMT results for SB 743 analysis and testing VMT mitigation strategies. **The travel forecasting model review resulted in the RIVTAM model being preferred for VMT impact analysis in the WRCOG subregion.**

For thresholds that are based on an efficiency form of VMT, a customized forecasting and screening tool was also recommended, which would use RIVTAM model inputs and outputs. This tool would be utilized to provide an initial screening of potential VMT impacts for projects and provide evidence to support presumptions of less than significant impact findings. The sketch model tools were determined to be most appropriate for testing VMT mitigation, with CalEEMod, GreenTRIP Connect, and TDM+ being the most effective. Since these tools rely on TDM strategies to reduce VMT, an important limitation was highlighted that many of these strategies are dependent on building tenants, which can change over time. Hence, relying on TDM programs tied to tenants would likely result in the need for on-going monitoring to verify performance.

Thresholds

Potential VMT thresholds were assessed within the context of the objectives of SB 743, legal opinions related to the legislation, proposed CEQA Guidelines updates, and the Technical Advisory produced by the Governor's Office of Planning and Research (OPR). The project team, led by Fehr & Peers, identified four threshold options for consideration by lead agencies.

1. Thresholds consistent with OPR's Technical Advisory, recommending that proposed developments generate VMT per person that is 15% below existing VMT per capita;
2. Thresholds consistent with lead agency air quality, greenhouse gas emissions reduction, and energy conservation goals;
3. Thresholds consistent with the Regional Transportation Plan / Sustainable Communities Strategy future year VMT projects by jurisdiction or subregion; and
4. Thresholds based on baseline VMT performance by jurisdiction or subregion.

Based on the research conducted, provided in this report (Attachment 1), WRCOG recommends utilizing a threshold consistent of below a jurisdiction's average VMT.

Mitigation

Transportation Demand Management (TDM) strategies and its effectiveness for reducing VMT were reviewed and assessed for relevancy in the WRCOG subregion. Given the subregion's rural / suburban land use context, the following key strategies were identified as the most appropriate.

- Diversifying land use
- Improving pedestrian networks
- Implementing traffic calming infrastructure
- Building low-street bicycle network improvements
- Encouraging telecommuting and alternative work schedules
- Providing ride-share programs

Due to limitations of project-by-project approaches to reducing VMT, an evaluation of larger mitigation programs was conducted. The evaluation considered existing programs such as the WRCOG Transportation Uniform Mitigation Fee (TUMF) Program and new mitigation program concepts. While the TUMF Program funds a variety of projects including those that would contribute to VMT reduction, the overall effect of the Program results in an increase in VMT due to substantial roadway capacity expansion. TUMF could be modified to separate the VMT, reducing projects into a separate impact fee program based on a VMT reduction nexus, but it could not be relied upon for VMT mitigation in its current form.

New program concepts include VMT mitigation banks and exchanges. These are innovative concepts that have not yet been developed and tested but are being considered in areas where limited mitigation options would otherwise exist. WRCOG is undertaking a study to look into the feasibility of a VMT mitigation bank or exchange in order to further assist lead agencies in implementing SB 743.

Prior Action:

November 14, 2019: The Public Works Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachments:

1. SB 743 Draft Resolution.
2. SB 743 Resolution Template Staff Report.

Item 7.B

SB 743 Implementation Activities
Update

Attachment 1

SB 743 Draft Resolution

RESOLUTION NO. 2020-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____ ADOPTING “VEHICLE MILES TRAVELED” THRESHOLDS OF SIGNIFICANCE FOR PURPOSES OF ANALYZING TRANSPORTATION IMPACTS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the California Environmental Quality Act Guidelines (“CEQA Guidelines”) encourage public agencies to develop and publish generally applicable “thresholds of significance” to be used in determining the significance of a project’s environmental effects; and

WHEREAS, CEQA Guidelines section 15064.7(a) defines a threshold of significance as “an identifiable quantitative, qualitative or performance level of a particular environmental effect, noncompliance with which means the effect will normally be determined to be significant by the agency and compliance with which means the effect normally will be determined to be less than significant”; and

WHEREAS, CEQA Guidelines section 15064.7(b) requires that thresholds of significance must be adopted by ordinance, resolution, rule, or regulations, developed through a public review process, and be supported by substantial evidence; and

WHEREAS, pursuant to CEQA Guidelines section 15064.7(c), when adopting thresholds of significance, a public agency may consider thresholds of significance adopted or recommended by other public agencies provided that the decision of the agency is supported by substantial evidence; and

WHEREAS, Senate Bill 743, enacted in 2013 and codified in Public Resources Code section 21099, required changes to the CEQA Guidelines regarding the criteria for determining the significance of transportation impacts of projects; and

WHEREAS, in 2018, the Governor’s Office of Planning and Research (“OPR”) proposed, and the California Natural Resources Agency certified and adopted, new CEQA Guidelines section 15064.3 that identifies vehicle miles traveled (“VMT”) – meaning the amount and distance of automobile travel attributable to a project – as the most appropriate metric to evaluate a project’s transportation impacts; and

WHEREAS, as a result, automobile delay, as measured by “level of service” and other similar metrics, generally no longer constitutes a significant environmental effect under CEQA; and

WHEREAS, CEQA Guidelines section 15064.3 goes into effect on July 1, 2020, though public agencies may elect to be governed by this section immediately; and

WHEREAS, the City of _____, following a public review process consisting of staff presentations before the Planning Commission, and a public outreach meeting, wishes to adopt the VMT thresholds of significance for determining the significance of transportation impacts that are recommended in an analysis conducted by the Western Riverside Council of Governments on behalf of its member jurisdictions.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of _____ as follows:

Section 1. The City of _____ hereby adopts the following:

1. Utilizing the Riverside County Travel Demand Model (RIVTAM/RIVCOM) as its methodology to measure VMT.
2. Utilizing the Riverside County Travel Demand Model (RIVTAM/RIVCOM) as its method to analyze a project's VMT impact.
3. Utilizing a threshold consistent with the City's current average VMT per service population (population plus employment).

Section 2. This Resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this Resolution.

ADOPTED this _____ day of April, 2020.

 XYZ
 Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: _____
John M. Funk
Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, _____, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2020-XXX to be the original resolution adopted by the City Council of the City of _____ on _____, 2020.

Date: _____

Clerk of the Council
City of _____

DRAFT

Item 7.B

SB 743 Implementation Activities
Update

Attachment 2

SB 743 Resolution Template Staff
Report

STAFF REPORT TEMPLATE

TO: CITY COUNCIL / BOARD OF SUPERVISORS

FROM: CITY MANAGER / DIRECTOR OF PUBLIC WORKS / DIRECTOR OF TRANSPORTATION & LAND MANAGEMENT

SUBJECT: PROPOSED ORDINANCE TO ADOPT VEHICLE MILES TRAVELED THRESHOLDS FOR CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE RELATED TO TRANSPORTATION ANALYSIS

DATED: _____, 2020

RECOMMENDED ACTION:

1. Adoption of the attached resolution No. _____ approving Vehicle Miles Traveled thresholds for California Environmental Quality Act compliance related to transportation analysis.

BACKGROUND:

Senate Bill (SB) 743 changes how transportation impacts are measured under the California Environmental Quality Act (CEQA) from using vehicle Level of Service (LOS) to using Vehicle Miles Traveled (VMT). Historically, delay and congestion were the metrics used when evaluating transportation impacts. To implement the legislation, lead agencies will need to determine appropriate VMT methodologies, thresholds, and feasible mitigation measures. Since VMT is a new methodology to analyze transportation impacts, there was a need to develop appropriate guidance for projects subject to environmental review. The guidance is to ensure that all projects subject to review by that agency use the same data, approaches, and analytical tools. A study was conducted by the Western Riverside Council of Governments to assist its member agencies understand the specific questions that need to be addressed when making these determinations and to provide research, analysis, and other evidence to support their final SB 743 implementation decisions. The goal of the study was to provide jurisdictions as much facts to help jurisdictions develop a record. The recommendations provided either are direct recommendations from the WRCOG analysis or have been adjusted to better suit the jurisdiction's needs. SB 743 must be implemented by lead agencies by July 1, 2020.

DISCUSSION:

Since SB 743 represents a significant departure from the jurisdiction's current practice, the jurisdiction must address the following questions below prior to taking any action:

1. Methodology – what methodology should be used to forecast projected-generated VMT and the project's effect on VMT under baseline and cumulative conditions, and how does the selection of a threshold influence the methodology decision?
2. Thresholds – what threshold options are available to each jurisdiction and what substantial evidence exists to support selecting a specific VMT threshold?
3. Mitigation – what would constitute feasible mitigation measures for a VMT impact given the land use and transportation context of the WRCOG region?

The methodology to forecast 'project-generated VMT,' the VMT thresholds, and the mitigation measures utilized must be adopted by each jurisdiction.

Methodology

Baseline VMT Methodology and Data: Base Year (2012) total VMT per service population (i.e., population plus employment), home-based VMT per capita, and home-based work VMT per worker were calculated using outputs from the Southern California Association of Governments' (SCAG) Regional Transportation Plan travel forecasting model and the Riverside County Transportation Analysis Model (RIVTAM). In addition, data from the California Household Travel Survey was used to compare model derived estimates of home-based VMT with those based on survey observations. VMT results and comparisons of results from different data sources were displayed graphically to aid in determining the appropriate VMT metric and data source for calculating VMT for use in the WRCOG subregion.

Based on the different options analyzed, **it is recommended to utilize the Riverside County Travel Demand Model (RIVTAM / RIVCOM) and the VMT per service population data, as noted in the WRCOG analyses.** Jurisdictions and technical experts have been utilizing RIVTAM since 2009, so there is a familiarity with the model. Furthermore, a new version of the Riverside County Travel Demand Model is being developed by WRCOG and will be ready for use by Fall 2020. The new version of the model will be updated and refined to improve compliance with SB 743 expectations (i.e., full external trip lengths).

Tools Assessment: The capabilities of travel forecasting models along with 11 sketch model tools were reviewed to determine their strengths and weaknesses in generating appropriate VMT results for SB 743 analysis and testing VMT mitigation strategies. Based on the **travel forecasting model review, it is recommended that the RIVTAM be utilized for VMT impact analysis.**

For thresholds that are based on an efficiency form of VMT, a customized forecasting and screening tool was also recommended, which would use RIVTAM model inputs and outputs. This tool would be utilized to provide an initial screening of potential VMT impacts for projects and provide evidence to support presumptions of less than significant impact findings. The sketch model tools were determined to be most appropriate for testing VMT mitigation, with CalEEMod, GreenTRIP Connect, and TDM+ being the most effective. Since these tools rely on TDM strategies to reduce VMT, an important limitation was highlighted that many of these strategies are dependent on building tenants, which can change over time. Hence, relying on TDM programs tied to tenants would likely result in the need for on-going monitoring to verify performance.

Thresholds

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2. Thresholds consistent with Lead Agency air quality, greenhouse gas emissions reduction, and energy conservation goals;

3. Thresholds consistent with the Regional Transportation Plan / Sustainable Communities Strategy future year VMT projects by jurisdiction or subregion; and
4. Thresholds based on baseline VMT performance by jurisdiction or subregion.

Based on the research conducted by WRCOG, which is provided (attachment 1) in this report, it is recommended that that the jurisdiction utilize a threshold consistent of (JURISDICTION NEEDS TO PICK AN OPTION) below the jurisdiction's current average VMT per service population per household or below the subregion's average VMT.

Mitigation

Transportation Demand Management (TDM) strategies and its effectiveness for reducing VMT were reviewed and assessed for relevancy. Given the jurisdiction's rural / suburban land use context, the following key strategies were identified as the most appropriate.

- diversifying land use
- improving pedestrian networks
- implementing traffic calming infrastructure
- building low-street bicycle network improvements
- encouraging telecommuting and alternative work schedules
- providing ride-share programs

Due to limitations of project-by-project approaches to reducing VMT, an evaluation of larger mitigation programs was conducted by WRCOG. The evaluation considered existing programs such as the WRCOG Transportation Uniform Mitigation Fee (TUMF) Program and new mitigation program concepts. While the TUMF funds a variety of projects including those that would contribute to VMT reduction, the overall effect of the Program results in an increase in VMT due to substantial roadway capacity expansion. The TUMF could be modified to separate the VMT, reducing projects into a separate impact fee program based on a VMT reduction nexus, but it could not be relied upon for VMT mitigation in its current form. New program concepts included VMT mitigation banks and exchanges. These are innovative concepts that have not yet been developed and tested but are being considered in areas where limited mitigation options would otherwise exist. WRCOG is undertaking a study to look into the feasibility of a VMT mitigation bank or exchange in order to further assist lead agencies in implementing SB 743.

Updated Traffic Impact Analysis Guidelines

The jurisdiction's Traffic Impact Analysis Guidelines has been revised to ensure consistency with SB 743 implementation. The revision incorporates VMT guidance consistent with the information from the WRCOG SB 743 Implementation Pathway Study and updates to the LOS guidelines currently being utilized.

The VMT guidelines tiered from the WRCOG study and includes "likely" VMT thresholds of significance that would be considered by each member jurisdiction. The guidelines refer to the WRCOG screening tool that was developed for the SB 743 Implementation Pathway Study and provides directions for model use of projects that are likely not screened out. Mitigation measures and methods for quantification have been identified.

In addition, the current guidelines were updated to meet state-of-the-practice analysis techniques for LOS assessment. The guidelines should be updated in a manner that are easy to adjust and revise for jurisdictions to utilize for its purposes. The existing language in the guidelines was also

modified to reference improvements required instead of historic CEQA terminology in order to distinguish between CEQA and non-CEQA requirements. Lastly, the LOS naming was simplified to be more consistent with requirements in other jurisdictions statewide.