

# VMT Policy

Senate Bill 743 Implementation Guidelines

City Council | September 27, 2022



# PREVIEW

- SB 743 Review
- Establish Thresholds of Significance
- Create Screening Criteria
- Set forth TDM Strategies to Mitigate VMT
- Provide Additional VMT Mitigation Option



# SB 743 Overview

- Changes **CEQA**

“Automobile delay, as described solely by level of service or similar measures... shall not be considered a significant impact on the environment...” (PRC § 21099 [b] [2])

- New primary metric shall be VMT – aligns with climate goals

# SB 743

milestones

- Enacted in **2013**
- State guidelines/rule-making process **2014-2018**
- OPR adopted rules in **2018**
- Effective **July 1, 2020**

## TECHNICAL ADVISORY

ON EVALUATING TRANSPORTATION  
IMPACTS IN CEQA



December 2018

# SB 743 Requirements

new approach required to  
evaluating transportation  
impacts

- The legislation includes the following language:
  - “**Upon certification of the guidelines** by the Secretary of the Natural Resources Agency pursuant to this section, **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...**” (PRC § 21099[b][2], emphasis added)
- The Governor’s Office of Planning and Research (**OPR**) was required to develop new CEQA guidelines establishing criteria...
  - “for determining the significance of transportation impacts” that use vehicle miles traveled (**VMT**), or a similar metric, instead of measures of congestion or delay, such as level of service (**LOS**)



# OPR

developed new CEQA  
guideline

- “Determining the Significance of Transportation Impacts”
  - 14 CCR § 15064.3
  - Implements PRC § 21099
- Focuses on VMT and includes the statement that...  
“a project’s effect on automobile delay shall not constitute a significant impact.”
- Effective date: July 1, 2020

## SECTION 15064.3. DETERMINING THE SIGNIFICANCE OF TRANSPORTATION IMPACTS

### (a) Purpose.

This section describes specific considerations for evaluating a project’s transportation impacts. Generally, vehicle miles traveled is the most appropriate measure of transportation impacts. For the purposes of this section, “vehicle miles traveled” refers to the amount and distance of automobile travel attributable to a project. Other relevant considerations may include the effects of the project on transit and non-motorized travel. Except as provided in subdivision (b)(2) below (regarding roadway capacity), a project’s effect on automobile delay shall not constitute a significant environmental impact.

### (b) Criteria for Analyzing Transportation Impacts.

(1) Land Use Projects. Vehicle miles traveled exceeding an applicable threshold of significance may indicate a significant impact. Generally, projects within one-half mile of either an existing major transit stop or a stop along an existing high quality transit corridor should be presumed to cause a less than significant transportation impact. Projects that decrease vehicle miles traveled in the project area compared to existing conditions should be presumed to have a less than significant transportation impact.

(2) Transportation Projects. Transportation projects that reduce, or have no impact on, vehicle miles traveled should be presumed to cause a less than significant transportation impact. For roadway capacity projects, agencies have discretion to determine the appropriate measure of transportation impact consistent with CEQA and other applicable requirements. To the extent that such impacts have already been adequately addressed at a programmatic level, such as in a regional transportation plan EIR, a lead agency may tier from that analysis as provided in Section 15152.

(3) Qualitative Analysis. If existing models or methods are not available to estimate the vehicle miles traveled for the particular project being considered, a lead agency may analyze the project’s vehicle miles traveled qualitatively. Such a qualitative analysis would evaluate factors such as the availability of transit, proximity to other destinations, etc. For many projects, a qualitative analysis of construction traffic may be appropriate.

(4) Methodology. A lead agency has discretion to choose the most appropriate methodology to evaluate a project’s vehicle miles traveled, including whether to express the change in absolute terms, per capita, per household or in any other measure. A lead agency may use models to estimate a project’s vehicle miles traveled, and may revise those estimates to reflect professional judgment based on substantial evidence. Any assumptions used to estimate vehicle miles traveled and any revisions to model outputs should be documented and explained in the environmental document prepared for the project. The standard of adequacy in Section 15151 shall apply to the analysis described in this section.

(c) Applicability. The provisions of this section shall apply prospectively as described in section 15007. A lead agency may elect to be governed by the provisions of this section immediately. Beginning on July 1, 2020, the provisions of this section shall apply statewide.

**Note:** Authority cited: Sections 21083 and 21099, Public Resources Code. Reference: Sections 21099 and 21100, Public Resources Code; Cleveland National Forest Foundation v. San Diego

# SB 743

## implications

- CEQA documents can no longer base a significance determination on an automobile delay–based analysis, such as LOS.
- All EIRs and negative declarations circulated for public review after July 1, 2020, are required to consider VMT when determining whether a project may cause a significant impact.
- These documents are not precluded from including a LOS analysis for disclosure purposes, such as General Plan Circulation Element or Congestion Management Plan consistency, but the analysis cannot be used as a basis for determining a significant environmental impact.



# SB 743

recap/takeaways

- **Prohibits** automobile delay as a significant impact
- Must evaluate transportation impacts using **VMT**
- Went into effect **July 1, 2020**



Now what?

# What Are We Doing?





Now what?

# Analyzing Vehicle Miles Traveled for CEQA Compliance

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SB 743 IMPLEMENTATION GUIDELINES FOR THE  
CITY OF WATSONVILLE



Community Development Department | Public Works & Utilities Department  
250 Main Street  
Watsonville, CA 95076

# SB 743 Implementation work plan



- Countywide collaboration
- Convened working group meetings
- Shared resources/costs
- Developed countywide VMT tool for land use projects
- Model is trip-based (not activity-based or tour-based)

# SB 743 Implementation

OPR recommended  
thresholds

- **Residential:** < 15% of existing VMT per capita
- **Office:** < 15% of existing VMT per employee
- **Retail:** No net increase in total existing VMT
- **Transportation:** No net increase to VMT “budget” to comply with GHG targets



# Exemptions

OPR presumption of  
less-than-significant  
impact

- Screening criteria
  - Identify when a project should be expected to cause a ***less-than-significant*** impact without conducting a detailed study. (CEQA Guidelines, §§ 15063(c)(3)(C), 15128, and Appendix G)
  - May be based on project ***size, maps, transit availability, local-serving retail*** and provision of ***affordable housing***

# Screening Criteria

## For Land Use Projects

Exhibit 2 – Land Use Project Screening Criteria

Screening Criteria <sup>1</sup>	Impact Analysis
<b>SMALL PROJECTS<sup>2</sup></b>	<p><b>Presumed to cause a less-than-significant impact:</b></p> <ul style="list-style-type: none"><li>▪ Project generation is less than 110 trips per day</li></ul> <p><b>Unless:</b></p> <ul style="list-style-type: none"><li>▪ It is inconsistent with the current General Plan and Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)</li></ul>
<b>PROJECTS NEAR HIGH QUALITY TRANSIT<sup>3</sup></b>	<p><b>Presumed to cause a less-than-significant impact:</b></p> <ul style="list-style-type: none"><li>▪ Within a ½ mile of an existing major transit stop, which maintains a service interval frequency of 15 minutes or less during the morning and afternoon peak commute periods.</li></ul> <p><b>Unless:</b></p> <ul style="list-style-type: none"><li>▪ Has a Floor Area Ratio (FAR) of less than 0.75</li><li>▪ Includes more parking for use by residents, customers, or employees of the project than required by the City of Watsonville</li><li>▪ It is inconsistent with the current General Plan and MTP/SCS</li><li>▪ Replaces affordable residential units with a smaller number of moderate- or high-income residential units</li></ul>

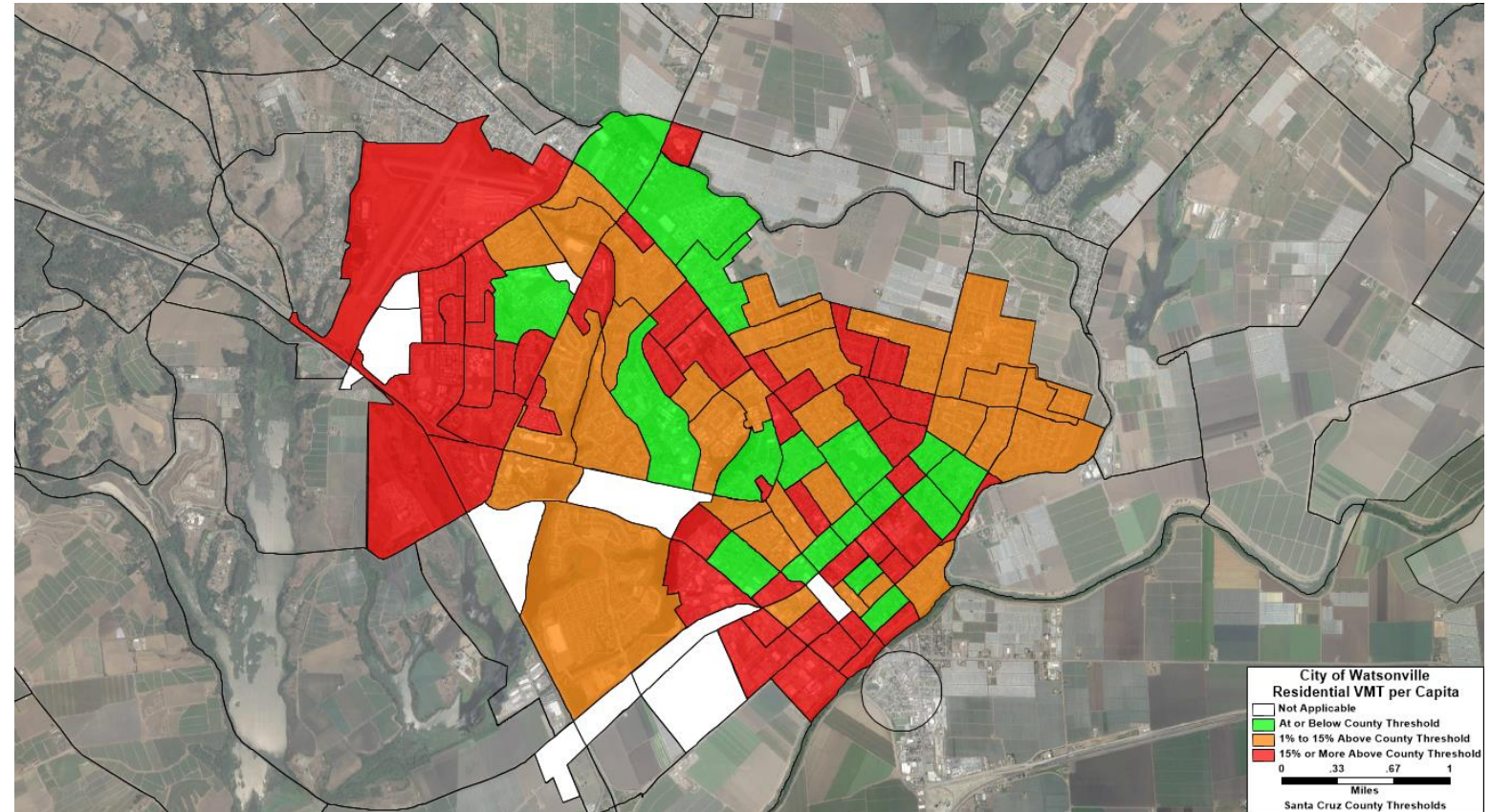
# Screening Criteria

## For Land Use Projects

Screening Criteria	Impact Analysis
<b>LOCAL-SERVING RETAIL<sup>4</sup></b>	<p><b>Presumed to cause a less-than-significant impact:</b></p> <ul style="list-style-type: none"><li>▪ No single store on-site exceeds 50,000 square feet</li><li>▪ Project is local-serving</li></ul> <p><b>Unless:</b></p> <ul style="list-style-type: none"><li>▪ If the nature of the service is regionally focused<sup>5</sup></li></ul>
<b>AFFORDABLE HOUSING<sup>6</sup></b>	<p><b>Presumed to cause a less-than-significant impact:</b></p> <ul style="list-style-type: none"><li>▪ The residential component of a project consists of 100-percent affordable residential units</li></ul> <p><b>Unless:</b></p> <ul style="list-style-type: none"><li>▪ The percentage of affordable housing is less than 100 percent of the residential element of a project</li></ul>
<b>LOCAL ESSENTIAL SERVICE<sup>7</sup></b>	<p><b>Presumed to cause less-than-significant impact:</b></p> <ul style="list-style-type: none"><li>▪ Day care center</li><li>▪ Public K-12 School</li><li>▪ Police or Fire facility</li><li>▪ Medical/Dental office building</li><li>▪ Assisted living / memory care facility</li><li>▪ Government offices (in-person services such as post office, library, and utilities)</li></ul> <p><b>Unless:</b></p> <ul style="list-style-type: none"><li>▪ The nature of the service is regionally focused</li></ul>

# Screening Maps

Residential VMT per capita



# Mitigation

How to reduce VMT?

## Travel Demand Management (TDM) strategies

- Applied to reduce vehicle trips and VMT estimates
- Categories include:
  1. **Transit:** Transit subsidies, reduced headways, neighborhood shuttles.
  2. **Communication & Information:** Travel behavior change program, promotions/marketing.
  3. **Commuting:** Required commute trip reduction program, vanpool, rideshare, telecommuting, alternative work schedule, onsite childcare.
  4. **Shared Mobility:** Car-share, bike share, school carpool program.
  5. **Bicycle Infrastructure:** On-street bike facilities, bike parking, bike facilities, showers.
  6. **Neighborhood Enhancement:** Traffic calming, pedestrian network improvements.
  7. **Parking:** Reducing, unbundling, permitting, pricing parking.
  8. **Miscellaneous:** Onsite affordable housing, virtual healthcare services.

## TDM Mitigations

- Transit ticket subsidies
- Carpool parking
- Parking cash-out program
- Car share
- Unbundle parking
- Bike racks and lockers
- Showers
- Flexible work schedule
- Guaranteed ride home





# Mitigation

How to reduce VMT?

City of Watsonville   Transportation Demand Management (TDM) Measures					
#	TDM Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
Transit Strategies					
1	Transit Stops	Coordinate with local transit agency to provide bus stop near the site. Real time transportation information displays support on-the-go decision making to support sustainable trip making. Only get a reduction on a non-HQT line, cannot get both.	Infrastructure	3%	All

# Mitigation

How to reduce VMT?

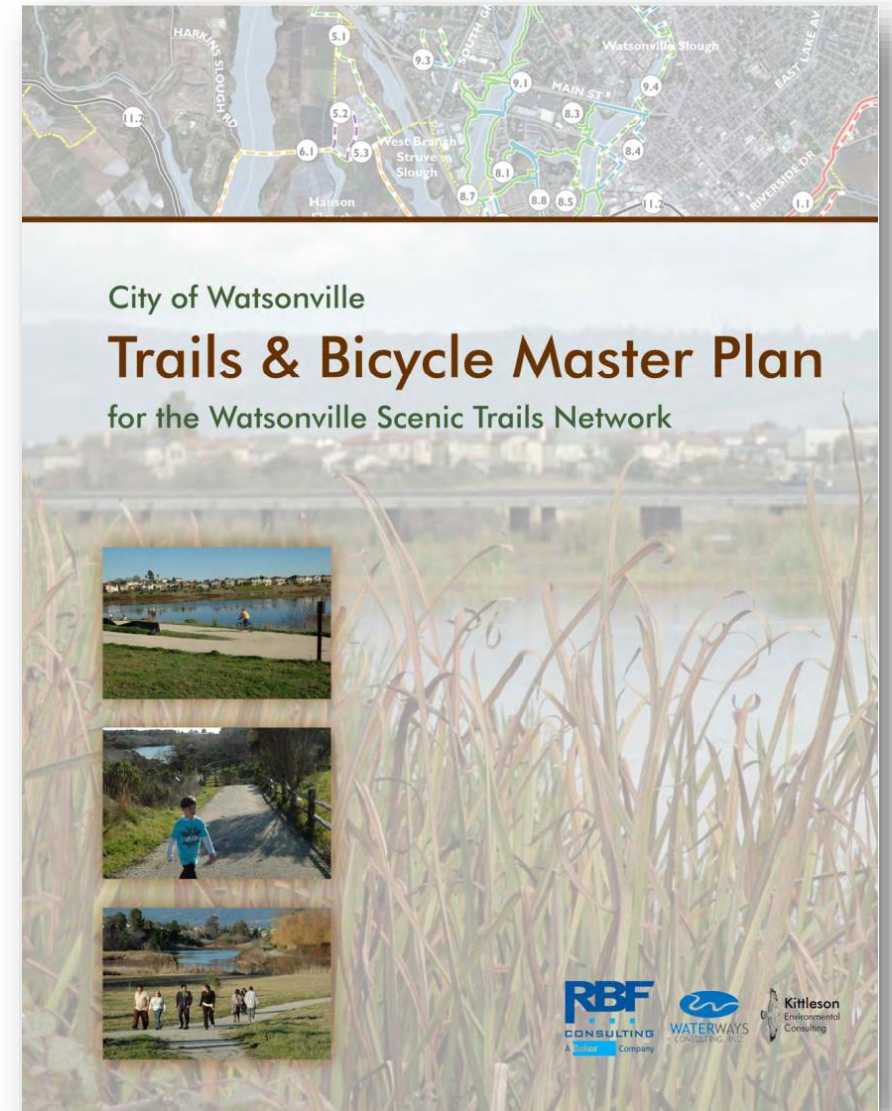
## VMT Mitigation Banking Program

- Provide additional VMT mitigation option
- Creates monetary value for VMT reduction
- Needed b/c of limited transit service & low-density land use patterns

# Mitigation

## VMT Banking Projects

- Unfunded trail projects
- Enhance bike network
- Provide commuting options



# Mitigation

## VMT Banking Projects

ID	Name	Length (mi.)	Cost
8.2	Lower Watsonville Slough Loop	0.11	\$9,475,000
8.5	La Brisas Connector Trail	0.13	\$4,000
8.7	Manabe-Ow Connector Trail	0.10	\$16,400,000
9.1	Upper Struve Slough Trail	0.47	\$2,410,000
9.3	Rolling Hills Connector Trail	0.33	\$720,000
9.4	Upper Watsonville Slough	1.05	\$15,790,000
		Total	\$44,799,000

# Mitigation

## VMT Banking Projects

- Determine new bicycle riders
- Basis for VMT reduction

# NCHRP

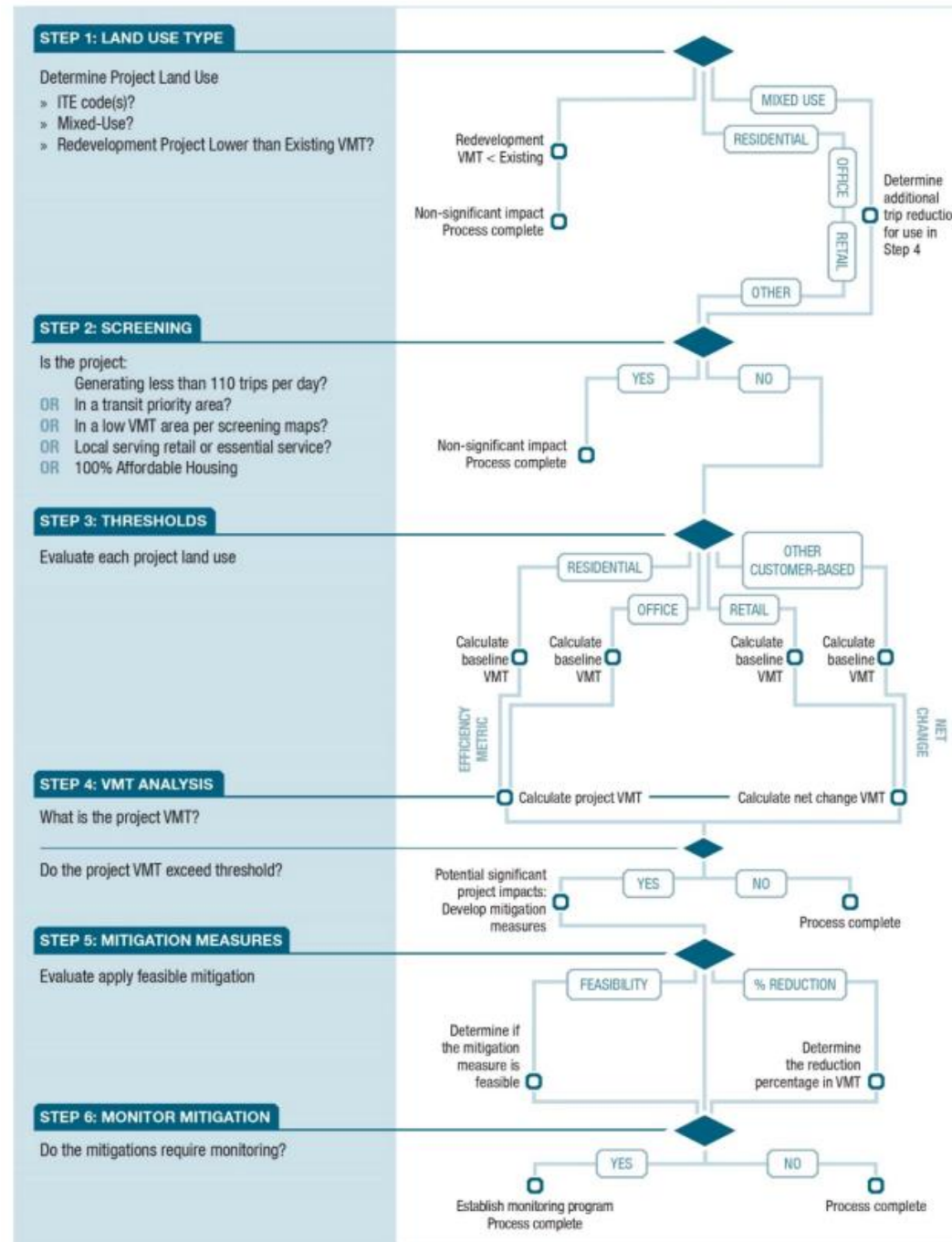
## REPORT 552

NATIONAL  
COOPERATIVE  
HIGHWAY  
RESEARCH  
PROGRAM

### **Guidelines for Analysis of Investments in Bicycle Facilities**

TRANSPORTATION RESEARCH BOARD  
OF THE NATIONAL ACADEMIES

# SB 743 Implementation recap/takeaways



- Key steps...
- Check if “screened out”
- Conduct VMT analysis &
- Mitigate, as needed



# SB 743 Implementation

recap/takeaways

- **Previous steps:** Regional effort completed
  - VMT data development & analysis
  - VMT estimation tool
- **Next step:** Adopt a VMT Policy
  - VMT significance thresholds
    - For residential, retail and office development projects
  - Mitigation strategies
    - Project level, programmatic and transaction exchanges
    - Legal and administrative framework
    - VMT Mitigation Banking Program option

# SB 743 Implementation

recap/takeaways

- SB 743 changed how transportation impacts are evaluated under CEQA
  - Removed automobile delay as a significant impact on the environment
- VMT Policy provides guidelines for how land use & transportation projects will be evaluated
  - Establishes VMT thresholds for CEQA environmental determinations
- VMT Policy in accordance with...
  - SB 743 (Steinberg, 2013)
  - OPR Technical Advisory (2018)
  - Section 15064.3 of the CEQA Guidelines

# VMT Policy

## Planning Commission recommendation

*Planning Commission adopted  
Resolution No. 14-22 (PC),  
recommending the City Council adopt a  
**Vehicle Miles Traveled (VMT) Policy**  
inclusive of establishing:*

- *VMT as the appropriate metric for evaluating transportation-related impacts under CEQA*
- *Thresholds of significance*
- *Screening criteria*
- *TDM strategies*
- *Mitigation Banking Program*

### RESOLUTION NO. 14-22 (PC)

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL TO ADOPT A VEHICLE MILES TRAVELED (VMT) POLICY INCLUSIVE OF ESTABLISHING VMT AS THE APPROPRIATE METRIC FOR EVALUATING TRANSPORTATION-RELATED IMPACTS UNDER CEQA, ESTABLISHING VMT THRESHOLDS OF SIGNIFICANCE, ESTABLISHING SCREENING CRITERIA, ESTABLISHING TRANSPORTATION DEMAND MANAGEMENT (TDM) STRATEGIES, AND ESTABLISHING A VMT MITIGATION BANKING PROGRAM

#### Project: VMT Policy

**WHEREAS**, the California Environmental Quality Act (CEQA) requires public agencies responsible for approval of land use projects and construction of transportation projects to assess their anticipated environmental impacts and to select project alternatives or implement mitigation measure that lessen those impacts where feasible. Known as a "lead agency" under CEQA, a public agency with the discretionary authority to approve or deny a project (or to carry it out directly) generally must analyze the proposed project's impacts to the physical environment, identify alternatives and mitigation measures, and approve a project alternative and/or mitigation measures that substantially reduce significant impacts, unless those measures are infeasible due to economic, social, or other conditions; and

**WHEREAS**, in 2013, state law was changed with the passage Senate Bill (SB) 743 (Steinberg) to update the way transportation impacts are analyzed under CEQA for new land use and transportation projects. Previously, transportation analyses had been based on automobile delay, typically measured as "level of service," or LOS. SB 743 also required the Governor's Office of Planning and Research (OPR) to develop a new metric for evaluating transportation impacts other than LOS to more appropriately balance the needs of congestion management with statewide goals related to infill

## VMT Policy recommendation

1) **Approve** a VMT Policy inclusive of establishing VMT as the appropriate metric for evaluating transportation-related impacts under CEQA, establishing VMT thresholds of significance, establishing screening criteria, establishing TDM strategies, and establishing a VMT Mitigation Banking Program

2) **Authorize** the CDD Director to update the VMT thresholds of significance for land use projects and plans

3) **Find** the approval of the VMT Policy, inclusive of the VMT Mitigation Banking Program, is not a "project" under CEQA

# Analyzing Vehicle Miles Traveled for CEQA Compliance

## SB 743 IMPLEMENTATION GUIDELINES FOR THE CITY OF WATSONVILLE

Adopted September 27, 2022

Resolution No. \_\_\_\_-22 (CM)



Community Development Department | Public Works & Utilities Department  
250 Main Street  
Watsonville, CA 95076