20-522 **Agenda Date: 6/10/2020**

REPORT TO PLANNING COMMISSION

SUBJECT

Adoption of a Transportation Policy Establishing Vehicle Miles Traveled as the Methodology for Analyzing Transportation Environmental Impacts in Compliance with State Law

EXECUTIVE SUMMARY

In order to comply with State Senate Bill 743 (SB 743, Steinberg, 2013), the City has been working to update its policies regarding how transportation impacts are analyzed as a part of the California Environmental Quality Act (CEQA) review process. SB 743 requires that starting on July 1, 2020, Level of Service (LOS) can no longer be used to analyze a project's transportation impacts for the purposes of completing a CEQA review. Per State guidelines, staff is recommending that the City Council adopt a policy where Vehicle Miles Traveled (VMT) is used as the City's updated transportation metric by which projects are analyzed under CEQA. Additionally, staff recommends that LOS be retained as a non-CEQA transportation operational measure that is studied for projects that require transportation analysis.

BACKGROUND

In September 2013, the State of California approved SB 743 (Attachment 1), which changes the way transportation impacts are analyzed under CEQA. SB 743 requires that starting on July 1, 2020, all California lead agencies (which includes cities, counties, etc.) can no longer use automobile LOS to analyze and disclose environmental transportation impacts per CEQA. SB 743 also requires that California lead agencies adopt a new transportation methodology to "promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." The State has recommended VMT as the preferred methodology for conducting CEQA transportation analysis for projects. While LOS measures traffic delay (i.e. congestion) at signalized intersections or roadway segments, VMT generally measures the distance a vehicle will travel to a destination.

In December 2018, the State of California Natural Resources Agency certified and adopted an updated CEQA Guidelines package, including the Guidelines section implementing Senate Bill 743 (Section 15064.3). Additionally, the Governor's Office of Planning and Research has published a technical guidance document titled, "Technical Advisory on Evaluating Transportation Impacts in CEQA," which contains technical recommendations on how CEQA lead agencies should assess VMT, create and evaluate thresholds of significance related to VMT impacts, and require and monitor impact mitigation measures.

The City of Santa Clara's current standard relies on LOS to complete the CEQA evaluation of potential environmental effects on transportation systems for proposed projects. Staff has been working on proposed changes to City policy in order to adopt and implement a new transportation analysis methodology by July 1, 2020, in compliance with SB 743. A workplan was developed and includes the following five phases: 1) Outreach, 2) Engagement, 3) Technical Evaluation, 4) Circulate

Draft Policy, and 5) Approval Process.

Outreach: This phase included the following efforts: 1) research and data collection, 2) coordination with other agencies, and 3) creation of a City webpage on proposed transportation analysis methodology changes. During this phase extensive research was completed to fully understand SB 743 and the accompanying December 2018 State publications regarding how to implement SB 743. Additionally, staff collected data from other relevant California jurisdictions to examine how other cities were approaching the change to VMT. Staff focused on jurisdictions that already adopted VMT standards such as Pasadena, San Francisco, Oakland, San Jose, Los Angeles, and Sacramento.

Staff also began coordination efforts with other local agencies within the County of Santa Clara. The Valley Transportation Authority (VTA), administrator of the County of Santa Clara's Congestion Management Program, also conducted technical working group meetings with cities within Santa Clara County to provide technical support and promote consistencies between cities in transitioning from LOS to VMT for environmental review. Staff was heavily engaged in these coordination efforts and continue to stay involved in these meetings. In August 2019, the City published a City Manager's Blog item regarding the need to change the City's transportation analysis methodology, which referred to the newly established City webpage devoted to the topic. The City website includes an introduction to VMT, a schedule for upcoming public meetings/study sessions and a "Frequently Asked Questions" section to provide overall information on VMT.

Engagement: During this phase, staff began direct engagement activities to solicit feedback from stakeholders. This included 1) continuing to update the City's webpage on VMT, 2) hosting two public outreach meetings (October 24, 2019 and October 30, 2019), 3) presenting at the City's Bicycle and Pedestrian Advisory Committee's (BPAC) January 27, 2020 meeting, and 4) conducting the first of two rounds of study sessions with the Planning Commission (December 11, 2019) and City Council (November 5, 2019).

In general, stakeholders supported the effort to modify CEQA transportation standards as prescribed by SB 743 but had concerns about how congestion would be managed. Additionally, there was support for enhancing multimodal networks and questions regarding how VMT is determined. Staff took all this feedback into consideration while developing the draft transportation policy. Summaries of the agendas for these meetings and overall feedback are included in Attachment 2.

Technical Evaluation: During this phase, staff continued to evaluate how VMT is measured, the tools needed to measure it, and how VMT evaluations would affect implementation of the Santa Clara General Plan. The City also discussed technical issues with the State's Office of Planning and Research and asked questions related to the State's December 2018 technical guidelines to confirm that Santa Clara's proposed changes would meet the State's requirements. Additionally, the VTA, using their Travel Demand Model, provided the City with information relating to the current VMT levels at the city, county, and regional levels. The VTA also developed, in coordination with bay area cities, a VMT Evaluation Tool that provides a uniform approach to measuring VMT across the County of Santa Clara. Staff used this information and tools to develop the draft transportation policy for consideration.

Circulating a Draft Policy. In coordination with the City Attorney's Office and Community Development Department, the attached draft transportation policy (Attachment 3) includes recommendations that align with the State's technical guidelines. During this phase, a second set of study sessions were

held on April 22, 2020 and May 12, 2020, for the Planning Commission and City Council respectively, to review the draft policy considerations and staff's recommendations. The overall discussions included more in-depth explanations of VMT and there was overall support for staff's recommendations. Staff received the following feedback from the Planning Commission and City Council:

- At the second Planning Commission study session on April 22, 2020, staff presented information on existing VMT levels in the City, County, and regionally, how the VTA's Evaluation Tool calculates VMT, and staff's recommendations for key policy items. There was feedback from a few planning commissioners as about the level of stringencies on the VMT baseline and threshold.

- At the second City Council study session on May 12, 2020, staff provided an update on the City's effort to transition from LOS to VMT and discussed certain key policy considerations in creating a new transportation analysis policy. Overall, the City Council supported the staff's conservative and careful approach to setting the baseline, threshold and other policy recommendations.

Staff regularly updated the VMT webpage with presentations from the study sessions, posted the draft policy for review and comment and utilized social media to further communicate the City's transition to VMT. A separate email was sent to the development industry to solicit their feedback on the proposed policy as well.

Approval Process. Staff has been finalizing the draft policy and all supporting documentation in preparation for policy adoption through this final stage.

DISCUSSION

The City of Santa Clara's transition from LOS to VMT began with a review of the existing adopted City policy work that guides land development and transportation projects in the City. The main guiding document for the City, the General Plan, provides the support and justification needed to implement a VMT transportation analysis policy. Additionally, the City's Climate Action Plan also includes provisions that are consistent with a transition from LOS to VMT for environmental transportation analysis. Below are descriptions of how both City documents support the transition from LOS to VMT for CEQA analysis.

General Plan

The City's General Plan contains several goals consistent with a transition from LOS to VMT for transportation analysis. For example, General Plan Land Use Goal 5.3.1-G1 is to "reduce dependence on the single-occupant automobile" and Goal 5.3.1-G3 encourages "development that minimizes vehicle miles traveled, capitalizes on public investment in transit and infrastructure, and is compatible with surrounding uses." Additionally, the General Plan's policies for climate change recognize that a mode shift from vehicle usage to other modes of transportation can reduce air pollution, energy consumption and greenhouse gas emissions, which is consistent with the goals of SB 743.

Climate Action Plan (CAP)

The CAP outlines strategies to reduce greenhouse gas (GHG) emissions and provide energy, fuel,

and monetary savings while improving quality of life for the Santa Clara community. The Transportation and Land Use Focus Area of the CAP (Focus Area 6) has a goal to establish land uses and transportation options that minimize single-occupant vehicle use. Transportation by single-occupant vehicles can be reduced through a greater mix and diversity of land uses and expanded options to use alternative modes of travel.

Based on research, data collection, outreach, and engagement, staff drafted a new transportation analysis policy (Attachment 3) based on VMT as the methodology for CEQA analysis and retained LOS as an important operational study element to address congestion and delay. Below are several key policy items for adopting a new transportation analysis policy.

Key Policy Considerations: The transition from LOS to VMT is a change in the way the City evaluates transportation environmental impacts to comply with the CEQA. Key policy considerations for the proposed VMT Policy include:

- Baseline VMT - setting the existing VMT conditions by which projects will be analyzed and compared to;
- CEQA thresholds of significance for VMT impacts - establishing the level at which impacts will be considered significant, and less than significant;
- CEQA exemptions to VMT analysis - determining which projects can be presumed to have a less than significant VMT impact and would therefore not be required to conduct a VMT analysis.

The State guidelines allow California cities to set their own policy requirements provided the adopted policy promotes 1) a reduction of greenhouse gas emissions; 2) the development of multimodal transportation networks; and 3) the diversity of land uses.

Baseline VMT

Baseline VMT can be defined as the current average amount of vehicle miles residents and employees are traveling in daily life. Existing VMT averages at the City, County, and Regional (nine Bay Area Counties) levels were developed by the VTA with information from their Travel Demand Model, Census data, and the California Household Survey. The VTA updated the Countywide Travel Demand Model with current land use and transportation information provided by the cities and the County of Santa Clara in order to produce the VMT heat maps needed to measure and display existing VMT conditions.

In general, heat maps use color to provide large sets of data. VMT heat maps for residential uses and employment uses (Attachments 4 and 5) indicate four different levels of VMT throughout the City, the County and the nine bay area regions. This information was used to determine the appropriate baseline recommendation for the City. In addition, the VTA, working with transportation consultants, developed a VMT evaluation tool to be used to prepare transportation CEQA analysis for projects within Santa Clara County. This tool is publicly available on the VTA's website to anyone at no cost.

VMT averages are further separated into two distinct land uses: 1) household (i.e. residential) and 2) employment. The table below provides average VMT for both types of land use at the various levels.

Table A: Existing Average VMT by Land Use at City, County, and Regional Levels

Land Use	*Santa Clara*	*Countywide*	*Regional*
Total Household VMT per Capita	9.39	13.33	13.95
Total Employment VMT per Employee	16.34	16.64	15.33

City staff evaluated these options and recommends that the Countywide Average be used as the City's baseline VMT for both residential and employment due to the many resources that are available today to reduce VMT at the countywide level. The VTA, who also administers the County of Santa Clara's Congestion Management Program, is the transit agency for Santa Clara County and the administrator of various multimodal transportation funds and grants (i.e. 2016 Measure B). Consequently, the VTA has developed a comprehensive program that brings Santa Clara County cities together to discuss countywide transportation projects and issues (as traffic is a regional issue). Adopting a Countywide VMT baseline provides Santa Clara with a conservative baseline goal that is in line with the City's General Plan goals of increased housing stock in Santa Clara.

CEQA Thresholds of Significance

In addition to establishing a baseline for the analysis of new projects, CEQA also requires establishing a significance threshold which is the level at which impacts of a project are considered significant. When significant impacts are identified, CEQA requires that lead agencies disclose these impacts and either identify mitigations to offset them or adopt findings to override impacts. The State is recommending that jurisdictions use a significance threshold of 15 percent below baseline VMT levels. In other words, when conducting studies, a project's estimated VMT should be 15 percent below baseline VMT levels to conclude that the project would not have an environmental impact. Several factors went into the State choosing this reduction value, including:

- This threshold is generally achievable for a variety of projects throughout California;
- According to the *California Air Resources Board 2017 Scoping Plan*, a 15 percent reduction is consistent with SB 743's direction to the State of California's Office of Planning and Research to select a threshold that will allow the state to achieve its climate goals; and
- Using 15 percent as a threshold creates consistency throughout California jurisdictions.

City staff recommends using the 15 percent threshold in alignment with the State recommendation. This recommendation will allow the City to transition into measuring VMT and takes a conservative approach when applying VMT reduction requirements to projects. Also, Santa Clara will still be evaluating LOS on an operational level, and improvements may be required by developers through that analysis alone and staff did not feel it was prudent to further increase the threshold value. The City retains the option to re-evaluate this threshold in the future after the City becomes more accustomed to measuring VMT and more VMT resources are available.

CEQA Exemptions

The State guidelines recommend that certain developments should be exempt from VMT analysis with a presumption of less than significant impact if a project is likely to reduce VMT. The recommended exemptions include:

- Small Infill Projects (project generates 110 daily trips or less)
- Retail Uses of 50,000 sf or less ("Local Serving Retail")
- 100 percent Affordable residential projects
- Transit Supportive Developments* within ½ mile of an existing transit stop/station or high-quality transit corridor (all rail transit; bus routes with a frequency of 15 minutes or less during

morning and evening peaks)

**Transit Supportive Developments are characterized as projects, that through design and operation, support and encourage transit as a viable transportation alternative.*

The State further recommends that Transit Supportive Developments have the following characteristics:

- 0.75 Floor Area Ratio for office/R&D uses
- Minimum density of 35 dwelling units/acre for residential uses
- Promotes multimodal transportation
- Does not propose excessive parking
- Incorporates transit-oriented design elements
- Does not replace affordable residential uses with market rate residential uses

City staff has analyzed and supports these State proposed criteria for Transit Supportive Developments as development that meets these criteria within these transit-supported areas align with City's General Plan and planned focused growth areas.

Additional Policy Items: In addition to the three key policy considerations discussed above, staff has also included two additional transportation related items for consideration: 1) studying VMT for Transportation projects and 2) maintaining LOS.

Transportation Projects

The policy also includes the State recommendation that roadway projects that add vehicle capacity be analyzed for near-term and long-term induced vehicle miles traveled. The analysis should study the following: 1) determine if the transportation project is consistent with the State's GHG reduction goals, 2) analyze if the project has any potential impacts to the multimodal transportation network (makes it more difficult to access transit, ride a bicycle or walk) and 3) evaluate any potential impacts to the diversity of land use in Santa Clara (makes it difficult or undesirable to live or work).
It is important to note that a majority of the transportation projects within Santa Clara and the County include significant pedestrian and bicycle improvements, which has the likely potential to offset any increase in vehicle miles proposed by roadway capacity improvements. In summary, the intent of studying transportation projects is to ensure consistency with the goals of SB 743.

Maintain LOS as a Transportation Operational Analysis Element

In addition to the VMT analysis requirements, the draft transportation policy includes a provision that requires the transportation operational analysis for a project contain an LOS analysis. A typical transportation operational analysis can include an engineering study like the following: 1) intersection left-turn storage queuing, 2) project driveway and circulation operations, 3) traffic signal warrant studies, 4) pedestrian, bicycle, and transit assessment and improvements, 5) traffic control and crosswalk evaluations, 6) neighborhood intrusion or cut-through, parking, and 7) County of Santa Clara /VTA Congestion Management Program requirements.

During outreach efforts, it was conveyed by the community, Planning Commission, City Council and staff that intersection operations and traffic flow continue to be important; therefore, the draft transportation policy includes requirements that LOS continue to be studied for projects as an operational element and not a CEQA requirement.

There are many benefits to continuing to study, monitor and invest in traffic signal operations and infrastructure in Santa Clara. Cities such as San Jose, Los Angeles, and Pasadena have included requirements for new development to continue to study and improve intersection operations. Efficient traffic signal operations ensure safe access and circulation, optimum signal timing, well-designed intersections with adequate left-turn storage, implementation of pedestrian, bicycle and transit improvements, and technology upgrades. Additionally, it is important to note that the State mandated VTA Congestion Management Program that oversees regional roadway networks will continue to require new development to comply with CMP requirements, which are based on LOS.

ENVIRONMENTAL REVIEW

The action being considered is exempt from formal review under the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(1) and CEQA Guidelines Section 15268(a), which provide that ministerial actions are exempt from the requirements of CEQA. The proposed implementation of VMT as the methodology for conducting future CEQA analyses is mandated by SB 743 and thus constitutes a ministerial action.

FISCAL IMPACT

There is no additional cost to the City other than staff time and expense.

COORDINATION

This report has been coordinated with the City Attorney's Office and the Community Development Department.

PUBLIC CONTACT

Public contact was made by posting the Planning Commission agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Adopt a resolution recommending that the City Council adopt a transportation policy establishing Vehicle Miles Traveled as the methodology for analyzing transportation environmental impacts in compliance with State Law.
2. Do not adopt a resolution recommending that the City Council adopt a transportation policy relating to Vehicle Miles Traveled to comply with State Law and provide staff further direction.

RECOMMENDATION

Alternative 1: Adopt a resolution recommending that the City Council adopt a transportation policy establishing Vehicle Miles Traveled as the methodology for analyzing transportation environmental impacts in compliance with State Law.

Reviewed by: Alexander Abbe, Assistant City Attorney
Approved by: Michael Liw, Assistant Director of Public Works

ATTACHMENTS

1. Senate Bill 743 - VMT Statute
2. Summaries of past City Council and Planning Commission Study Sessions
3. Transportation Analysis Policy
4. VMT Heat Map - Residential Uses
5. VMT Heat Map - Employment Uses
6. Resolution