



Legislation Details (With Text)

**File #:** ID 20-00843    **Version:** 1    **Name:** CAO Approval  
**Type:** Action Item    **Status:** Agenda Ready  
**File created:** 6/18/2020    **In control:** City Council  
**On agenda:** 6/25/2020    **Final action:** 6/25/2020  
**Title:** Hearing to consider adoption of Vehicle Miles Traveled Thresholds pursuant to Senate Bill 743, which requires local jurisdictions in California to adopt such thresholds by July 1, 2020:

1. RESOLUTION - Adopting Vehicle Miles Traveled Thresholds as described in the "CEQA Guidelines for Vehicle Miles Traveled Thresholds" document dated June 18, 2020, prepared pursuant to the requirements of California Public Resources Code Section 21099, and CEQA Guidelines Sections 15064.3(b) and 15064.7.
2. Direct staff to pursue a mitigation program that includes creation of a citywide mitigation bank, exchange, or other mechanism to allow more options for VMT mitigation.

**Sponsors:** Planning and Development Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Ex A - VMT Transit Map, 2. Exhibit B - VMT per Capita Map, 3. Exhibit C - VMT per Employee Map, 4. Exhibit D - CEQA Guidelines for Vehicle Miles Traveled Thresholds, June 18 2020, 5. Exhibit E - VMT Mitigation Strategy Matrix, 6. Ex F - RESOLUTION Adopting Vehicle Miles Traveled Thresholds, 7. Exhibit G - Comment Letters, 8. Ex H - PowerPoint Presentation, 9. Additional Information for 1010 for June 18, 2020.pdf, 10. Additional Information - Cooments from Leadership Counsel.pdf

Date	Ver.	Action By	Action	Result
6/25/2020	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**June 18, 2020**

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Planning and Development Department

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Long Range Planning Division

**SUBJECT**

Hearing to consider adoption of Vehicle Miles Traveled Thresholds pursuant to Senate Bill 743, which requires local jurisdictions in California to adopt such thresholds by July 1, 2020:

1. RESOLUTION - Adopting Vehicle Miles Traveled Thresholds as described in the "CEQA Guidelines for Vehicle Miles Traveled Thresholds" document dated June 18, 2020, prepared pursuant to the requirements of California Public Resources Code Section 21099, and CEQA

## Guidelines Sections 15064.3(b) and 15064.7

2. Direct staff to pursue a mitigation program that includes creation of a citywide mitigation bank, exchange, or other mechanism to allow more options for VMT mitigation.

### RECOMMENDATION

Adopt “CEQA Guidelines for Vehicle Miles Traveled Thresholds” dated June 18, 2020 and direct staff to pursue a mitigation program that includes creation of a citywide mitigation bank, exchange, or other mechanism to allow more options for VMT mitigation.

### EXECUTIVE SUMMARY

Senate Bill 743 requires that a new metric, vehicle miles traveled (VMT), be used to identify transportation impacts under the California Environmental Quality Act (CEQA) starting July 1, 2020. VMT is simply the number of trips generated by a project multiplied by the trip distances in miles. This differs from the previous metric of Level of Service (LOS), which measures traffic congestion. The intent of the new law is to reduce VMT in order to help meet greenhouse gas (GHG) reduction targets established by the State of California. This report describes the process for development of the proposed Fresno thresholds and summarizes key components of the thresholds and mitigation strategy. See [www.fresno.gov/vmt](http://www.fresno.gov/vmt) <<http://www.fresno.gov/vmt>> for a webinar hosted by the City of Fresno on its proposed VMT thresholds.

### BACKGROUND

The City of Fresno hired LSA, Inc., a local full service planning consultant, to help develop VMT thresholds in 2018. Shortly thereafter, the Fresno Council of Governments (FCOG) hired the same consulting firm to assist member jurisdictions in developing their VMT thresholds. The City’s process was improved by additional input from the FCOGs process, which included exchange of ideas with colleagues throughout the region, and input from a Technical Advisory Committee, comprised of a range of VMT stakeholders. The “CEQA Guidelines for Vehicle Miles Traveled Thresholds” (Guidelines), attached in Exhibit D, is the culmination of several months of dialogue and study between city and FCOG staff, member jurisdictions, and the Technical Advisory Committee. It contains a detailed description of the proposed City of Fresno thresholds and substantial evidence to support them, as well as a comprehensive list of potential mitigation measures. This staff report is a brief summary of what is contained in the Guidelines and is organized into the following key sections:

- I. Definition of Region for VMT Analysis
- II. VMT Thresholds
  - Development Projects
  - Transportation Projects
  - Land Use Plans
- III. Mitigation Strategies

Senate Bill 743 resulted in amendments and additions to the California Public Resources Code, including the addition of

Section 21099. PRC Section 21099 requires the Office of Planning and Research (OPR) to prepare revisions to the CEQA Guidelines related to assessing the significance of transportation impacts of projects. CEQA Guidelines Section 15064.3 was prepared by OPR and certified and adopted by the California Natural Resources Agency, consistent with the requirements of PRC Section 21099.

The guidance for development of VMT criteria at the local level was provided by the OPR. Local jurisdictions have the discretion to follow the state guidelines or to propose variations that are justified with substantial evidence. Fresno followed the OPR guidelines in most areas, but is proposing a few variations as described below. Detailed substantial evidence for each of these decisions is included in the Guidelines attached.

## I. Definition of Region for VMT Analysis

In order to determine if a project will generate a significant amount of VMT, it must be compared to a regional VMT average. The region has been determined to be Fresno County, since over 90% of vehicle trips made within Fresno County begin and end within its boundaries.

## II. Thresholds

OPR has established three types of thresholds, which vary by type of project. They are: Development Projects, Transportation Projects, and Land Use Plans, each described below.

**Development Projects**-*This threshold would apply to development projects such as subdivisions, retail, and industrial or office development, typically carried out by the private sector or non-profit entities.*

Since the statewide goal for GHG reduction is 15% from existing conditions, OPR has established that figure as the statewide VMT reduction target for development projects. The idea is that the cumulative VMT reductions from jurisdictions across the state would result in at least a 15% reduction in VMT, but each jurisdiction can set its own threshold. Consistent with the FCOG VMT guideline process, Fresno is recommending a 13% VMT reduction as the threshold for development projects, based on the state's approval of a 13% GHG reduction target for its upcoming Regional Transportation Plan/Sustainable Communities Strategy.

Screening Criteria - Development Projects that could be "screened out" or considered exempt from VMT analysis because they are assumed to reduce VMT include the following:

- Projects that are within 0.5 mile (mi) of a Transit Priority Area (TPA) or a High-Quality Transit Area (HQTA). In the City of Fresno, TPAs generally include the Courthouse Park Transit Hub, Amtrak station, and future High Speed Rail station in downtown Fresno, and the intersections of Shaw and Blackstone, Shaw and Cedar, and Cedar and Kings Canyon. The HQTC's generally include the Bus Rapid Transit (BRT) corridor along Blackstone and Ventura/Kings Canyon (Route 1), and the FAX 15 corridors along Shaw and Cedar (Routes 9 and 38). See Exhibit A, attached, for map.
- Projects that involve local-serving retail space of less than 50,000 square feet (sf).
- Projects that generate fewer than 500 average daily trips (ADT). OPR's guidelines included this criteria but with fewer than 110 ADT. Additional research conducted (and documented in the Guidelines) shows that projects generating up to 500 ADT would not generate a significant amount of GHGs and therefore could be screened out. Examples of projects generating less than 500 ADT are listed below:
  - 53 dwelling units of single family housing
  - 68-92 units of low- to mid-rise apartments
  - 13,250 square feet of retail use
  - 51,330 square feet of office use

- 100,800 square feet of light industrial use
- Projects that reflect and are consistent with a General Plan and/or Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and have a floor-to-area ratio (FAR) of 0.75 or greater and limited parking.
- Projects that have a high level of affordable-housing units.
- Projects proposed in areas with low VMT (see maps in Exhibits B and C-areas in green are areas with low VMT)

Threshold - For development projects that are not screened out, the thresholds below would apply:

**Table 1: Development Project Thresholds**

Type of Project	Residential	Office/Industrial	Retail	Mixed Use	Public Facilities
<b>Proposed Thresholds</b>	13% below existing regional VMT per capita	13% below existing regional VMT per employee	Any net increase in total VMT	Apply thresholds that correspond to uses	Most would be screened out

For the City of Fresno, this means that the VMT metric will be used for CEQA purposes, but LOS will still be used to determine necessary roadway improvements through conditions of approval.

**Transportation Projects** - *This threshold would mostly apply to capital improvement projects undertaken by public entities, such as roadway widenings, intersection improvements, and the like.*

Screening Criteria. Development Projects that could be “screened out” or considered exempt from VMT analysis because they do not add vehicle capacity include the following:

- Maintenance and repair to roadways & roadway elements;
- Addition of Traffic lanes that are not for through-traffic, such as left-, right-, and U-turn pockets or two-way left turn lanes;
- Addition of capacity on local or collector streets, if the project substantially improves conditions for pedestrians, cyclists and, if applicable, transit;
- Addition of a new lane that is permanently restricted to transit;
- Traffic control devices, including transit signal priority; and
- Installation of roundabouts or other traffic calming measures.

Threshold - For transportation projects that are not screened out, the threshold below would apply:

**Table 2: Transportation Thresholds**

<b>Type of Project</b>	<b>Transportation Projects</b>
<b>Proposed Threshold</b>	Any increase in VMT attributable to the project

**Land Use Plans**-*This threshold applies to General Plans, Community Plans and Specific Plans. There are no screening criteria for this threshold.*

**Table 3: Land Use Plan Thresholds**

<b>Type of Project</b>	<b>Land Use Plan</b>
<b>Proposed Threshold</b>	Any net increase in per capita VMT when comparing horizon year to base year.

### III. Mitigation Strategy

VMT mitigation is different from congestion-based LOS mitigation. LOS mitigation aims to alleviate congestion, and prescribes capacity-increasing mitigation measures such as roadway widening and additional lanes. These types of measures may alleviate congestion in the short term, but they encourage more single occupant vehicle use in the long term since they increase vehicle capacity. In contrast, VMT mitigation seeks to increase transportation options and accessibility to more destinations. This is possible with mitigation strategies that include a mixing of land uses to bring housing, schools, shopping and employment in closer proximity, and that improve alternative modes of transportation so that biking, walking and taking transit become realistic options.

Challenges with VMT mitigation include quantifying VMT reductions, applying mitigation at the individual project level, and ensuring that mitigation lasts in perpetuity, as required by CEQA. These issues will all likely get worked out as implementation unfolds and court cases become available.

Staff has been working on developing a multi-faceted mitigation approach for development projects based on the four strategies listed below. For a matrix showing the mitigation measures listed under each strategy, see Exhibit E, VMT Mitigation Strategy Matrix.

- **Location, Design, and Form:** This strategy focuses on locating more diverse land use types in close proximity, and is considered “on-site” mitigation to be implemented by developers.
- **Public Works Improvements:** This strategy focuses on enhancing the pedestrian and bicycle networks, either on-site, or in close proximity to the development project, and would be implemented either by developers or by the Public Works Department via mitigation funds paid by developers to the City of Fresno.
- **Transit Upgrades:** This strategy focuses on improving transit service and accessibility, and would be implemented by FAX via mitigation funds paid by developers to FAX.
- **Transportation Demand Management:** This strategy focuses on TDM measures that could be implemented on site or via mitigation funds paid by developers to the City of Fresno or to the Fresno COG.

Some types of mitigation measures can be applied directly to a project. Other types will not be effective unless they are applied at a larger scale, such as expanding or enhancing a transit system, or completing a bicycle network, for example. In order to implement mitigation at this larger scale, a programmatic approach would be needed, possibly funded through a mitigation bank or exchange program, or other mechanism. If the City is interested in developing such a program, it needs to decide on program design and scale: citywide or region wide? The FCOG has indicated a willingness to develop a region wide VMT mitigation program. Staff is supportive of this idea, but would like to develop a citywide program in the interim.

## General Plan Consistency

The Fresno General Plan includes policies calling for reduced vehicle miles traveled (Mobility and Transportation Element, Policies MT-2-b and MT-2-c). In addition, its overarching vision calls for the actions needed to reduce vehicle miles traveled, as demonstrated by the General Plan goals listed below:

**Goal 4:** Emphasize achieving healthy air quality and reduced greenhouse gas emissions;

**Goal 8:** Develop complete neighborhoods and districts with a diverse mix of residential densities, building types, and affordability, which are designed to be healthy, attractive, and centered by schools, parks, and public and commercial services to provide a sense of place, and that provide as many services as possible within walking distance;

**Goal 10:** Emphasize increased land use intensity and mixed-use development at densities supportive of greater use of transit in Fresno; and

**Goal 11:** Emphasize and plan for all modes of travel on local and major streets in Fresno.

Therefore, staff finds that the adoption of VMT thresholds as outlined in the “CEQA Guidelines for Vehicle Miles Traveled Thresholds” is consistent with the Fresno General Plan.

## Public Participation

CEQA Guidelines Section 15064.7(b) requires the adoption of thresholds of significance for general use as part of the lead agency’s environmental review for projects to include a public review process. The City of Fresno participated in the FCOG’s VMT Guideline process, which included the formation of a 40-50 member Technical Advisory Committee (TAC). Representation on the TAC included local government staff, developers, consultants, and Caltrans. Six TAC meetings have been held since August of 2019. In addition, the City of Fresno hosted a webinar on the proposed Guidelines on May 12, 2020 and published its proposed VMT thresholds in the Guidelines on the city’s website ([www.fresno.gov/vmt](http://www.fresno.gov/vmt) <<http://www.fresno.gov/vmt>>) on May 13, 2020, launching a 21-day comment period. In addition, at its regular monthly meeting with the Building Industry Association on May 13, 2020, city staff updated BIA members on the Guidelines. Lastly, on May 22, 2020, a public hearing notice was published in the Fresno Bee (and a corresponding Spanish version on May 27, 2020 in Vida en el Valle) announcing the public hearings at Planning Commission and City Council.

## June Revisions to Guidelines

Since new information and methodologies related to VMT implementation are still emerging, the consultant, LSA, incorporated a final round of revisions to the Guidelines, summarized below:

- Changed the document title from “CEQA **Guide** for Vehicle Miles Traveled Thresholds” to “CEQA **Guidelines** for Vehicle Miles Traveled Thresholds;”
- Pg. 26, Chapter 4: Significance Thresholds for Development Projects- Added text on the Caltrans Local Development Intergovernmental Review Program for land use projects in section 4.1 to incorporate the Caltrans VMT analysis process;
- Pg. 26: Chapter 4: Significance Thresholds for Development Projects - Defined “small” and “large” projects for the purposes of using the Fresno COG VMT Calculation Tool for residential and office projects based on observations from recent model runs;
- Pgs. 35-36, Chapter 5: Significance Thresholds for Transportation Projects- Added a paragraph on induced demand calculation methodologies at the end of the chapter, and also added a flowchart explaining the methodologies; and
- Pg. 43, Chapter 7: Mitigation Strategies, Section 7.2.1-Added text regarding some of the VMT mitigation measure reduction percentages being calculated by Fresno COG staff using the Fresno COG Activity Based Model (ABM) and locally available empirical data. A reference to the COG’S SB 743 Guidelines document was also included.

These changes were recommended for approval by the Planning Commission with one modification, explained below.

### Planning Commission

The Planning Commission considered this item at its regularly scheduled meeting of June 3, 2020.

The following comments were received (see Exhibit G):

1. Email from Jeff Reid of McCormick Barstow et al LLC, dated June 3, 2020
2. Letter from Mike Prandini of the Building Industry Association dated June 3, 2020

Both comments objected to text that was added to the guidelines on pg. 26, Section 4.1 referencing Caltrans' process for review of local development projects, fearing that the intent was to elevate Caltrans' authority beyond that stipulated in law. Staff's intent in including the statement was simply to inform the reader that Caltrans still has a role in the CEQA process. In fact, Caltrans guidelines for VMT are not yet finalized. The public comment period for the Draft Transportation Analysis Framework (TAF) and the Draft Transportation Analysis under CEQA (TAC) just closed on June 15, 2020.

Staff believes it is important to include reference to the Caltrans VMT process, but proposed modifying the language for Planning Commission consideration as shown:

Projects that will influence Caltrans facilities ~~will~~ **may** be subject to the Caltrans Local Development-Intergovernmental Review program. **As part of that program**, Caltrans ~~will~~ **may** review the VMT analysis methodology, findings, and mitigation measures, ~~for each one of these land use projects~~ with an eye toward statewide consistency.

After discussion, the Planning Commission recommended that the City Council approve the June Guidelines with the modified language above for the Caltrans reference in Section 4.1, page 26, by a 6-0-1 vote.

The June 18, 2020 Guidelines proposed for City Council approval include this change (pg. 26, first sentence).

### ENVIRONMENTAL FINDINGS

The adoption of thresholds is not a project pursuant to CEQA Guidelines Section 15378.

### LOCAL PREFERENCE

N/A as no procurement is included in this item.

## **FISCAL IMPACT**

No fiscal impact to City finances would occur as a result of adopting the Guidelines.

Exhibit A - VMT Transit Map

Exhibit B - VMT per Capita Map

Exhibit C - VMT per Employee Map

Exhibit D - CEQA Guidelines for Vehicle Miles Traveled Thresholds, June 18, 2020

Exhibit E - VMT Mitigation Strategy Matrix

Exhibit F - Resolution

Exhibit G - Comment Letters

Exhibit H - PowerPoint Presentation