



**TOWN OF LOS GATOS
STUDY SESSION REPORT**

MEETING DATE: 10/08/2019

ITEM NO: 1

DATE: October 3, 2019
TO: Mayor, Town Council, and Planning Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Discussion of the Vehicle Miles Traveled Metric for Environmental Review and Local Transportation Analysis

RECOMMENDATION:

Discussion of the Vehicle Miles Traveled metric for environmental review and local transportation analysis.

BACKGROUND:

On September 27, 2013, Governor Jerry Brown signed Senate Bill 743 into law and started a process intended to fundamentally change transportation impact analysis for California Environmental Quality Act (CEQA) compliance (see Attachment 1). Historically, most cities and towns, including Los Gatos, evaluate traffic based on intersection Level of Service (LOS). The Town's 2020 General Plan defines the Level of Service standard as, "LOS D is an acceptable level of traffic operations at intersections in Los Gatos." Under this transportation analysis standard, the Town directs the development project applicants to prepare CEQA transportation analysis using LOS as the metric.

The new law directed the Governor's Office of Planning and Research (OPR) to update the CEQA Guidelines to include new criteria and metrics for determining the significance of transportation impacts. OPR selected vehicle miles traveled (VMT) as the transportation impact metric, recommended its application statewide, and submitted updates to the CEQA Guidelines that were certified by the Natural Resources Agency in December 2018.

While the LOS standard focuses on impacts at specific locations, such as an intersection and a street segment, VMT measures transportation impacts both at the project and in a larger geographic area, such as the region and the State. VMT is the measure of distance in miles that a vehicle travels, with one mile equivalent to one VMT. By measuring VMT, setting a baseline,

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Community Development Director, and Parks and Public Works Director

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BACKGROUND (continued):

and setting targets in relation to that baseline, jurisdictions can affect the transportation impact future development projects might have on the environment. This allows for the jurisdiction to adopt strategies to achieve those targets.

Additional changes include elimination of auto delay, LOS, and other similar measures of vehicular capacity or traffic congestion as a basis for determining significant environmental impacts under CEQA. As of January 1, 2018, vehicle LOS is no longer to be used as a measure of transportation impact for environmental/CEQA review of land use projects and land use plans; however, jurisdictions may retain a LOS standard in their local transportation policies. This way, the LOS analysis could be used as additional information to aid in the decision-making process that would be outside of the CEQA document.

The Town of Los Gatos is the lead agency for environmental clearance under CEQA for projects within the Town's jurisdiction. As such, the Town is required to implement the new CEQA guidelines immediately, but no later than July 1, 2020. Fehr & Peers has been hired to assist the Town in preparing CEQA Transportation Analysis Guidelines using VMT and any updates to the Town's local transportation policies, as the Council deems appropriate. The consultant will be joining staff at the Study Session to make the presentation, participate in the discussion, and answer questions. The purpose of the Study Session is to provide an introduction to the new requirements, concepts, and other provisions.

DISCUSSION:

According to the recently updated CEQA Guidelines, the Town's Transportation Analysis Guidelines should include: (1) a VMT analysis method, (2) impact thresholds that are supported by quantitative evidence, (3) determination of whether VMT impact screening is allowed, and (4) mitigation measures with associated VMT reduction impacts (see Attachment 2). In addition to the analysis method for land use projects, the Guidelines should also address analysis for transportation projects, Specific Plans, and General Plans. The Guidelines should also include an assessment of how the Town's General Plan would influence future transportation analysis.

In addition to the Transportation Analysis Guidelines, the Town Council may also decide to modify the Town's local transportation policies. These policies include those within the General Plan and the Town's Traffic Impact Policy. It is possible that General Plan modifications could lead to project streamlining. Should the Town Council decide to modify the policies, the changes would be reviewed as a part of the General Plan update process.

To help aid lead agencies with SB 743 implementation, OPR produced the *Technical Advisory on Evaluating Transportation Impacts in CEQA*. OPR recommends the following technical

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DISCUSSION (continued):

considerations in implementing the use of VMT. In the next several months, Town staff, with support from a consultant, will return to Planning Commission and Town Council with options for consideration under each of the following questions. These questions are provided for the Study Session as a preview to the upcoming work. No decisions are expected at the Study Session.

1. What is the preferred *VMT analysis* methodology for estimating and forecasting VMT? This metric is *currently* a required input for air quality, energy, Greenhouse Gas, and transportation impact analysis in CEQA.

- The purpose of the *Technical Advisory* is to provide advice and recommendations, which agencies may use at their discretion. The Town will need to decide whether to follow *these* recommendations.
- If the Town decides to follow the *Technical Advisory* recommendations, the Town will then need to decide what travel forecasting model will be used to estimate baseline VMT for Town-wide and regional averages.
- The Town will also need to ensure that project-scale VMT analysis is consistent with the methodology used to estimate thresholds with respect to the magnitude of the comparable metrics.

2. What are the significant *impact* thresholds for VMT impacts?

- The *Technical Advisory* recommends that land use projects and plans within metropolitan planning organization (MPO) areas can achieve a 15 percent reduction in VMT per capita or per worker compared to existing conditions.
- The *Technical Advisory* recommends the 15 percent VMT reduction thresholds and two alternative thresholds from the California Air Resources Board (ARB). The ARB thresholds depend on the specific form of the metric and range from 14.3 to 16.8 percent. These thresholds were derived directly from ARB modeling related to VMT reductions necessary to support the State's GHG reduction goals.

3. Does Los Gatos as the lead agency want to take advantage of VMT impact screening?

- The *Technical Advisory* suggest that lead agencies may screen out VMT impacts using project size, location in low-VMT generating areas, transit availability, and provision of affordable housing.
- Some agencies also allow VMT impact screening projects based on their characteristics, such as local-serving retail projects, community serving public projects, etc.

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4. What mitigation does Los Gatos as the lead agency consider to be feasible for VMT impacts?

- A list of potential mitigation measures and their associated VMT reductions will be prepared for the Town's consideration. These mitigation measures will be selected based on observed data collected in transportation and land use research.

CONCLUSION AND NEXT STEPS:

This Study Session is the first opportunity for the Town Council, Planning Commission, and the public to discuss this topic. The Town Council will need to provide specific direction on several issues at future meetings, leading to the final adoption of the Guidelines by May 2020. Based on additional analyses, in future meetings staff will bring back pertinent information and a few options for each issue for the Town Council's consideration. Staff has identified the following tentative schedule for future review of specific topics, with the presentation to the Planning Commission in the month identified and to the Town Council in the month following. Additional topics identified through the study session will be worked into this schedule.

December 2019– VMT Analysis Methodology

January 2020 – Impact Thresholds

February 2020 – Impact Screening

March 2020 – Mitigation Options

May 2020 – Adoption of Final VMT Policies

Town staff is also working with the Valley Transportation Agency on VMT implementation and as appropriate, this information will be part of the future discussions leading to the preparation of the Town's Transportation Analysis Guidelines.

Staff will conduct outreach to the general public and to the development community during the preparation of the Guidelines. The Town Council and Planning Commission are welcome to identify specific stakeholders for this process.

Staff looks forward to the discussion with the Town Council and Planning Commission.

COORDINATION:

This report was coordinated with the Community Development Department.

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FISCAL IMPACT:

There is no fiscal impact as a result of this report.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Summary on Legal Framework of SB743 and technical background information
2. FAQ: Evaluating Transportation Impacts in CEQA