



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/07/2021

ITEM NO: 12

DATE: December 2, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve the Recommendations of the Council Policy Committee to:
a. Review and Adopt the Transportation Impact Policy
b. Authorize the Release of a Request for Proposals for the Preparation of a Study to Guide the Update of the Transportation Impact Fee Program; and
c. Authorize the Town Manager to Negotiate and Execute a Consultant Agreement with the Highest Scored Proposer in an Amount Not to Exceed \$175,000.

RECOMMENDATION:

Approve the recommendations of the Council Policy Committee to:
a. Review and adopt the Transportation Impact Policy (Attachment 1);
b. Authorize the release of a Request for Proposals (Attachment 2) for the preparation of a study to guide the update of the Transportation Impact Fee Program; and
c. Authorize the Town Manager to negotiate and execute a consultant agreement with the highest scored proposer in an amount not to exceed \$175,000.

BACKGROUND:

California Senate Bill (SB) 743, which was signed into law by Governor Brown in 2013, changes the way that public agencies evaluate the transportation impacts of projects under the California Environmental Quality Act (CEQA), recognizing that roadway congestion, while an inconvenience to drivers, is not itself an environmental impact. At its November 17, 2020 meeting, the Town Council adopted a resolution designating the use of vehicle miles traveled (VMT) as the metric for conducting transportation analyses pursuant to CEQA and establishing the thresholds of significance to comply with SB 743.

PREPARED BY: Ying Smith
Transportation and Mobility Manager

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

BACKGROUND (continued):

The transition to using VMT as the metric for transportation analyses pursuant to CEQA has necessitated the proposed update to the Traffic Impact Policy. The draft 2040 General Plan Implementation Program identifies a program called Transportation Analysis Guidelines:

Develop and adopt transportation analysis (TA) guidelines that define the VMT analysis methods, significant impact thresholds, Transportation Demand Management (TDM) programs, and mitigation programs consistent with the requirements of Senate Bill 743.

Town Council Policy No. 1-05, currently known as the Traffic Impact Policy, is intended to provide guidance to Town staff and the development community in implementing the provisions of the Town Municipal Code, Chapter 15, Article VII, Traffic Impact Mitigation Fees.

DISCUSSION:

The draft Transportation Impact Policy includes major updates to the current policy to designating the use of VMT in CEQA transportation analysis. The proposed revisions, including supporting documents, enhance the details used to determine what projects are subject to the draft policy and subsequently the technical requirements used in preparing transportation analyses.

The draft policy is updated and organized as follows:

Name: The policy name is changed to Transportation Impact Policy to accurately represent the purpose.

Section I. General Conditions and Applicability: This includes the language in the current Policy in sections II-1, II-2, VII-2, and VII-3. The Purpose was expanded to include “evaluating and mitigating CEQA transportation impacts.” Minor edits were provided for clarity and consistency.

Section II. Transportation Impact Mitigation Fees: This includes the original language in sections III-1, 2, 3, 4, and V.

Section III. VMT Mitigation Measures: This is a new addition specific to VMT.

Attachment 1 - Transportation Analysis (TA) Guidelines: This new document was prepared to reflect Resolution 2020-045, Designating the Use of Vehicle Miles Traveled as the Metric for Conducting Transportation Analyses Pursuant to the California Environmental Quality Act and Establishing the Thresholds of Significance to Comply with California Senate Bill 743. The Town continues to require level of service (LOS)

DISCUSSION (continued):

analysis to assess impacts from new developments on the local roadway performance. It provides detailed guidance in conducting analyses to meet different requirements in CEQA guidelines, Congestion Management Program (CMP), and multimodal transportation analysis per the Town's transportation policies in the draft General Plan.

The TA guidelines have many technical details therefore it is more appropriate to be included as an attachment to the draft policy. The key elements and changes from the current policy are:

1. Explains the different requirements for transportation analyses for different project types: land use entitlements, land use projects; and transportation improvements.
2. Establishes different analysis guidelines per the CEQA Guidelines, CMP compliance, and Town's transportation policies.
3. Establishes the different procedures to evaluate land use projects that are compliant with the General Plan and those that are not.
4. Establishes the VMT analysis methods and provides guidance for projects to propose VMT mitigation measures.
5. Establishes the guidelines for CEQA analysis for transportation projects.
6. Enhances the guidelines for multimodal analysis for land use projects and provides guidance on proposing transportation improvements to address a deficiency caused by a project.

Attachment 2 - Town of Los Gatos Transportation Mitigation Improvements Project List: No change was made to the current Attachment 1. The attachment was re-numbered.

Attachment 3 - VMT Reduction Actions for the Town of Los Gatos: This new attachment provides supporting documentation for mitigation actions projects will need to take. This attachment is not all inclusive, but rather provides categories and examples.

Attachment 4 - Definitions: This list of definitions was expanded and modified to be consistent with the definitions in the Town Municipal Code, Chapter 15, Article VII, Traffic Impact Mitigation Fees, and Resolution 2020-045. The definitions were moved from the main document to an attachment.

The Town is in the process of updating the General Plan and the Draft Environmental Impact Report (DEIR) for the 2040 General Plan which was released for public review in July 2021. The 2040 General Plan DEIR identifies significant but unavoidable transportation impacts and the mitigation measures. The Town is taking a Town-wide approach for VMT impact mitigation.

DISCUSSION (continued):

The Draft Policy includes the VMT Reduction Actions that provides a framework for mitigating VMT in the Town.

One of the implementation actions would be to update the transportation impact fee program to incorporate the VMT reduction strategies. As an immediate next step, staff is recommending issuing a Request for Proposals to select a consultant to prepare a study to guide the update to the transportation impact fee program.

The Town's impact fee program must comply with the Mitigation Fee Act (California Government Code Section 66000 et seq., also known as AB 1600). It is envisioned that the new fee program would have either one combined fee including the LOS-based traffic impact mitigation fee and a new VMT-based fee, or two separate fees. The study will evaluate these two different approaches and other alternatives, develop a list of improvement projects, estimate project costs, and prepare the five statutory findings required for adoption of the fee program. The new fee program would be designed to help achieve the goals of reducing vehicle trips and vehicle miles of travel within the Town by avoiding or minimizing the need to expand existing roadway capacity.

The new fee program will provide a path for land use projects to complete CEQA clearance. The study will be completed in 2022, leading to a recommended fee program for the Town Council's consideration. If adopted, the Transportation Impact Fee Program will replace the Town's current Traffic Impact Mitigation Fees.

CONCLUSION:

Staff recommends the Town Council adopt the proposed Transportation Impact Policy (Attachment 1), authorize the release of the RFP for a Transportation Impact Fee Study (Attachment 2), and authorize the Town Manager to enter into a contract for the Fee Study for an amount up to \$175,000.

COORDINATION:

This report was coordinated with the Community Development Department and the Town Attorney. At its November 10 meeting, the Planning Commission reviewed the Draft Policy and provided feedback.

The consultant on this project, Fehr & Peers, provided comments on the Draft Policy and technical guidelines. Input from the Planning Commission was incorporated in the final Draft Transportation Impact Policy. The Council Policy Committee reviewed the Draft Transportation

COORDINATION (continued):

Impact Policy and attachments, had no suggested revisions, and recommended that the Town Council approve the documents.

FISCAL IMPACT:

There is no fiscal impact as a result of adopting the Transportation Impact Policy.

Project 812-0133 VMT Mitigation Program in the Fiscal Year 2021/22 – 2025/26 Capital Improvement Program Budget has sufficient budget for the consultant contract.

VMT Mitigation Program CIP No. 812-0133		
	Budget	Costs
GFAR	\$ 250,000	
Total Budget	\$ 250,000	
Proposed Consultant Contract		\$ 175,000
Total Costs		\$ 175,000
Remaining Balance		\$ 75,000

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Draft Transportation Impact Policy
2. Draft RFP for a Transportation Impact Fee Study