

## CITY OF MOUNTAIN VIEW

### ENVIRONMENTAL PLANNING COMMISSION

#### STAFF REPORT

WEDNESDAY, MAY 20, 2020

## 6. PUBLIC HEARING

### 6.1 Senate Bill 743: CEQA Transportation Analysis

#### RECOMMENDATION

That the Environmental Planning Commission (EPC) adopt a Resolution Recommending the City Council Adopt a Policy Implementing California Senate Bill 743 (SB 743) Regarding Transportation Analysis Under the California Environmental Quality Act (CEQA), to be read in title only, further reading waived (Exhibit 1 to the Staff Report).

#### PUBLIC NOTIFICATION

The Commission's agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website. All interested stakeholders were notified of this meeting.

#### MEETING PROCEDURE

Staff recommends the following meeting procedures, which reflect standard practice for this type of item:

1. Staff presentation.
2. Commission questions.
3. Public comment.
4. Commission deliberation and action.

#### BACKGROUND

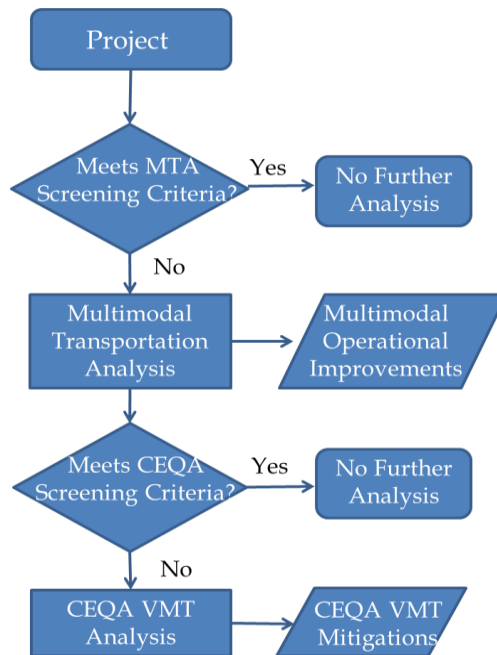
California Senate Bill 743 (SB 743) was passed in 2013 and represents a new paradigm in development planning. SB 743 requires cities to evaluate transportation-related environmental impacts with metrics that support the

reduction of greenhouse gas emissions, development of multi-modal transportation networks, and diversification of land uses under the California Environmental Quality Act (CEQA). As a result, the Governor’s Office of Planning and Research (OPR) requires CEQA lead agencies replace Level of Service (LOS) with Vehicle Miles Traveled (VMT) as the primary measure of transportation-related environmental impacts.

State guidance from the OPR gives discretion to lead agencies in implementing SB 743 to establish new thresholds of significance and screening criteria in terms of VMT. Additional background information on SB 743 is included in Exhibit 2.

As shared previously, the following flowchart represents the transportation analysis process that meets SB 743 requirements.

**Figure 1: General Transportation Analysis Process Flowchart Under SB 743**



### Previous Meetings

#### EPC Study Session – October 23, 2019

On October 23, 2019, the EPC reviewed background information on SB 743. The EPC had general questions on what modes are counted toward VMT, how OPR arrived at its recommended thresholds, how VMT is calculated, and how SB 743 implementation fits into other City land use actions.

### EPC Study Session – April 15, 2020

On April 15, 2020, the EPC held a Study Session to discuss SB 743 policy options. Staff presented suggested screening criteria, thresholds of significance, and revisions to existing citywide transportation analysis policy. EPC was supportive of staff's suggested thresholds of significance framework regarding use of regional reference averages and requested refinement and further analysis of staff's suggested transit screening. This information was forwarded to the City Council.

### City Council Study Session – April 21, 2020

On April 21, 2020, Council held a Study Session to discuss SB 743 policy options. Staff presented the same policy options considered by the EPC. Council stated they were comfortable with staff's suggestions as a starting point for complying with SB 743 but preferred use of different regional baseline VMT reference averages than what staff proposed, calling for consistency in reference geography used for map-based screening and thresholds of significance for residential and office land use projects. Moreover, Council directed staff to further evaluate options regarding screening of small projects and those located close to transit.

## **ANALYSIS**

As discussed with EPC and Council at prior Study Sessions, transportation analysis under SB 743 is comprised of three general areas: (1) screening criteria, used to determine level of transportation review required under CEQA; (2) VMT thresholds of significance, used to determine a Project's level of impact on transportation; and (3) the Multi-Modal Transportation Analysis (MTA), for transportation review outside of CEQA. The following policy recommendations address comments and direction from the EPC and Council along with further staff research, analysis, and OPR guidance.

### a. **Screening Criteria**

CEQA Guidelines Section 15063 and the OPR Technical Advisory on Evaluating Transportation Impacts in CEQA allows for development of screening criteria used to identify when a project should be expected to cause a less-than-significant impact on transportation without conducting a detailed CEQA VMT analysis. The following screens are recommended by OPR.

### Development in Low-VMT Areas/Map-Based Screening

Maps showing existing VMT values within a city are referred to as heat maps. These maps display colors representing the level of variation from a local or regional VMT reference average for a jurisdiction. The purpose of these heat maps is to determine if a project could be located in an area with low existing VMT.

OPR advises residential and office projects in areas of low VMT that are compatible with surrounding development in terms of density, mix of uses, and transit accessibility will tend to exhibit similarly low VMT. These projects would, therefore, be presumed to have a less-than-significant VMT impact. OPR guidance suggests using regional as opposed to citywide geographies for reviewing office development, as employees often commute from outside the city boundary to their jobs.

At the Study Sessions for the EPC and Council, staff presented two baseline regional VMT reference averages for consideration: (1) the Santa Clara County reference average; and (2) the Nine-County Bay Area reference average, shown in Table 1 below.

**Table 1: Existing Reference Average VMT Comparison by Geography**

Type	Mountain View	Santa Clara County	Nine-County Bay Area Region
Residential VMT per Capita	10.32	13.33	13.95
Office VMT per Worker	N/A	16.64	15.33

**EPC Comments:** The EPC supported using the Santa Clara County reference average for both residential and office project screening because of the desire to have uniformity in the reference averages used and noted the Santa Clara County average is more realistic for residential uses. Staff notes that this average is being used by most cities in Santa Clara County.

**City Council Comments:** Council also expressed a desire for uniformity of reference average used for map-based screening and indicated the Santa Clara County reference average VMT per worker was not stringent enough for office development. As such, Council directed staff to use the Nine-

County Bay Area reference average VMT rates for both residential and office land use projects.

Heat Maps 1 and 2 are shown in Exhibits 4 and 5 and are both relative to the Nine-County Bay Area regional reference average VMT rates for residential and employment land uses, respectively.

Maps created using the Nine-County Bay Area reference average VMT include slightly more parcels with low residential VMT and slightly fewer parcels with low office VMT than compared to maps using the Santa Clara County reference average VMT rates. No office developments in the City will be screened out from conducting CEQA VMT analyses because no parcels are shown to be 15 percent or greater below the Nine-County Bay Area regional reference average VMT per employee.

**Staff Recommendation:** Staff recommends use of the Nine-County Bay Area regional reference average VMT rates for both residential and office projects as depicted in Heat Maps 1 and 2. Under the recommended policy for map-based screening, projects located in low-VMT areas identified as projects with VMT that is at least 15 percent below the Nine-County Bay Area regional reference average VMT would be presumed to have a less-than-significant transportation impact.

#### Proximity to Transit Screening

Per CEQA requirements, if a project is proposed within a transit priority area (TPA), defined as areas within one-half mile of an existing major transit stop or an existing stop along a high-quality transit corridor, then the project would be presumed to have a less-than-significant impact on VMT. In Mountain View, TPAs are located along the following transit corridors:

- Caltrain, which typically provides a combination of extremely high ridership peak-hour express services that operate at 15-minute headways and local all-stops services with 30-minute headways and a span of service of 18 hours on weekdays;
- El Camino Real corridor, which typically serves the two highest ridership routes in the VTA system, including route 522, which provides limited stops services at 12- to 15-minute headways with an 18-hour span of service each day; and route 22, which provides 15-minute headway services and a service span of 24 hours; and

- VTA Light Rail Transit (LRT) Orange Line, which typically provides 15-minute headway services and a service span of 18 hours per day.

In TPA Map 1 (Exhibit 6), the TPA buffer zone is shown with a black outline to reveal the underlying street network and heat map. TPA screening applies to all land use project types. Projects within TPA buffers would be presumed to have a less-than-significant transportation impact, even if they overlay high VMT areas. However, OPR guidelines also note that this presumption would not apply if the project includes any of the following characteristics:

- Has a floor area ratio (FAR) less than 0.75;
- Provides more than the maximum parking required by the City;
- Is inconsistent with Plan Bay Area; or
- Replaces affordable residential units with a smaller number of moderate- or high-income residential units.

**EPC Comments:** The EPC expressed concern regarding the proposed screening of projects close to transit. They were concerned about declining transit ridership, specifically VTA light rail, and that TPA screening would provide an unnecessary exemption for developers. The EPC also expressed a desire to reduce radii of TPAs from one-half (1/2) mile to one-quarter (1/4) mile around transit, or even eliminate TPAs altogether. The EPC also discussed the idea of only adopting TPAs around highly used transit, such as Caltrain and VTA bus stations. The EPC suggested conducting ridership analyses to help inform TPA screening.

**City Council Comments:** Council was not supportive of adopting the proposed transit screening, citing concerns about waning transit ridership and the difficulty to return to viable service after the COVID-19 pandemic. Council was specifically concerned about the viability of VTA light rail and bus services.

**Staff Recommendation:** Staff recommends screening projects close to transit with TPA Map 1, which is consistent with OPR's suggested approach. The transit-screening strategy recommended by OPR is also consistent with State greenhouse gas emissions reduction mandates, the CEQA Guidelines, and

VTA’s recommendations. This approach is consistent with other cities in Santa Clara County.

Small Project Screening

OPR recommends that certain small residential and office projects are presumed to have a less-than-significant transportation impact. Table 2 shows small project size criteria recommended by OPR; criteria adopted by the City of San Jose; and recommended criteria for Mountain View.

**Table 2: Small Project Screening Thresholds**

Land Use	OPR	San Jose	Mountain View
<b>Residential</b>	Single-family: 12 units	Detached housing: 15 units	Single-family: 12 units
	Multi-family: 20 units	Attached housing: 25 units	Multi-family: 20 units
<b>Employment</b>	Approximately 10,000 square feet <sup>1</sup>	Office: 10,000 SF Industrial: 30,000 SF	Approximately 10,000 square feet <sup>1</sup>

<sup>1</sup> 10,000 square feet or 110 daily trips. This presumption is consistent with categorical exemption Section 15301, Existing Facilities, of the CEQA Guidelines. The exemption applies to new projects or additions to existing structures of up to 10,000 square feet. This exemption should hold true for project types whose VMT increases relatively linearly with square footage (i.e., general office building, single-tenant office building, office park, and business park).

OPR recommends that if a project is consistent with the City’s General Plan and Plan Bay Area and would meet its recommended thresholds, then it may be presumed to have a less-than-significant transportation impact.

**EPC Comments:** The EPC supported staff recommendations.

**City Council Comments:** Council requested further justification for the proposed small project screening criteria, given the departure from the OPR recommendations.

**Staff Recommendations:** To support infill development close to regional job centers, staff recommends adopting OPR’s suggested small project screening thresholds noted in Table 2 above. Staff had previously recommended a 30-unit multi-family residential threshold based on a review of projects over the

last 10 years, but based on further analysis and a comparison of other cities in Santa Clara County, staff is recommending adoption of the OPR recommended threshold of 20 multi-family units. This is consistent with the OPR guidance that such projects should generate or attract fewer than 110 trips per day. Staff also notes the geographic area subject to this screen is extremely limited in Mountain View, as most of the City is already screened out from further CEQA transportation analysis as discussed in this section.

### Affordable Housing Project Screening

OPR notes that developments with a high proportion of affordable housing (more specifically, “subsidized” housing) typically generate fewer vehicle trips than market-rate projects when located on infill sites. Evidence suggests that projects with 100 percent affordable units should be presumed to have a less-than-significant transportation impact. OPR recommends cities require VMT analyses for projects resulting in tenant displacement.

**EPC Comments:** EPC supported the staff suggestion for affordable housing screening.

**City Council Comments:** Council was generally supportive of adopting the staff recommendation consistent with OPR recommendations for affordable housing screening but directed staff to further research to see if projects with less than 100 percent affordable housing could be screened out.

**Staff Recommendation:** Staff recommends screening out projects with 100 percent affordable units from further CEQA VMT analysis, as suggested by OPR. This State guidance is based on the fact that affordable units exhibit lower VMT per capita than market-rate units. The substantial evidence needed to support screening development with a different proportion of affordable housing is not available at this time. However, staff also notes that for projects with a high proportion of affordable housing, but lower than 100 percent, the required CEQA VMT analysis would credit the development with the VMT reductions from the affordable units.

b. **VMT Thresholds of Significance**

If a project is not screened out with the criteria recommended above, then it shall be subject to a detailed CEQA VMT analysis. These transportation analyses shall use the thresholds of significance contained in this section to determine the level of transportation impact in terms of VMT.



OPR recommends lead agencies use an efficiency metric (reduction per capita or employee) to define thresholds of significance for residential and employment land use projects. OPR suggests a 15 percent VMT reduction relative to local or regional average VMT levels is achievable at the project level for a variety of land uses and is consistent with achieving the State’s climate goals.

Table 3 summarizes thresholds of significance for residential, office, and retail land use projects that have been recommended by OPR, adopted by the City of San Jose, and being recommended for adoption in the cities of Sunnyvale and Santa Clara, including recommended thresholds for Mountain View, with additional discussion below.

**Table 3: Thresholds of Significance for Residential and Office Projects**

Land Use	OPR	San Jose	Sunnyvale and Santa Clara (recommended)	Mountain View
<b>Residential</b>	15% below existing citywide average VMT per capita, or 15% below existing regional average VMT per capita.	Whichever is lower: 15% below existing citywide average VMT per capita; or 15% below existing regional average VMT per capita.	15% below existing Santa Clara County regional average VMT per capita.	15% below existing regional (Nine-County Bay Area) average VMT per capita.
<b>Office</b>	15% below existing Regional average VMT per employee.	General employment: 15% below existing regional average VMT per employee.  Industrial Employment:  Below existing regional average VMT per employee. <sup>1</sup>	15% below existing Santa Clara County regional average VMT per employee.	15% below existing regional (Nine-County Bay Area) average VMT per worker.

Land Use	OPR	San Jose	Sunnyvale and Santa Clara (recommended)	Mountain View
<b>Retail</b>	Net increase in total VMT or 50,000 square feet.	Net increase in total VMT.	Net increase in total VMT or 50,000 square feet.	Net increase in total VMT or 50,000 square feet.

<sup>1</sup> San Jose generally followed OPR’s recommendations for all uses with an added exception: industrial land uses. San Jose created a distinct threshold for industrial land use because most areas zoned for industrial use are disconnected from other land uses and tended to have a higher VMT per worker. Therefore, the threshold for industrial uses was adjusted to acknowledge that industrial projects are a valuable part of their local economy.

VMT Thresholds of Significance: Staff Recommendations for Mountain View

*Residential and Office Land Use Projects*

OPR advises cities to set residential land use thresholds of significance relative to existing citywide or regional VMT rates and office land use thresholds relative to existing regional VMT rates, as shown in Table 1. OPR gives cities discretion on how to define “regional.” In the Mountain View context, regional can be the Santa Clara County or Nine-County Bay Area geographies.

**EPC Comments:** The EPC supported the suggested approach of using the Santa Clara County reference average VMT for both residential and office land use projects.

**City Council Comments:** The Council supported the suggested approach of using the Nine-County Bay Area County reference average VMT rates for residential land use and office projects because the standards are more stringent for office.

**Staff Recommendation:** Staff recommends using a threshold of 15 percent below the Nine-County Bay Area regional reference average VMT rates for both residential and office projects. This approach is generally consistent with recent City policy goals that strive to balance the high amount of office development with new residential development.

### *Retail Land Use Projects*

New retail development typically redistributes existing shopping trips rather than creating new ones. That said, the effect new retail has on trips is best understood by estimating how overall VMT changes in a geography. The change in total VMT is calculated as the difference in total VMT in the affected area with and without the project. OPR states local-serving retail projects should be presumed to have a less-than-significant impact on VMT and that cities are in the best position to determine when a project is local-serving.

Retail land use projects larger than 50,000 square feet may be considered regional-serving and would be subject to a detailed CEQA VMT analysis to evaluate if the project leads to a net increase in total VMT. If context-specific information suggests a proposed retail project of less than 50,000 square feet would cause an increase in total VMT, then a detailed CEQA VMT analysis would be required to establish the project's impact on VMT.

**EPC Comments:** The EPC supported staff's suggested approach to evaluate retail projects with a threshold of any net increase in total VMT.

**Council Comments:** The Council generally supported staff's suggestions of adopting the OPR recommended thresholds for retail projects. However, the Council did indicate a desire for greater streamlining of retail projects that are local-serving.

**Staff Recommendation:** Consistent with OPR guidance, staff recommends using a threshold of any net increase in total VMT for retail projects. Depending on the local context, projects determined by the City to be local-serving retail are exempt from being required to conduct a detailed CEQA VMT analysis. The Council's direction to streamline local-serving retail is reflected in this strategy. Retail projects larger than 50,000 square feet may be considered regional-serving and would be subject to the retail land use threshold of significance.

### *Mixed-Use Projects*

OPR advises cities to evaluate mixed-use projects based on each separate use or by considering the primary use in the project. OPR does not require all mixed-use projects be evaluated with the same approach and gives cities discretion on how to evaluate these projects.

**EPC Comments:** The EPC supported staff's suggested approach of evaluating each component land use independently in mixed-use and other project types.

**City Council Comments:** The Council was supportive of staff's suggested approach of evaluating each component land use independently in mixed-use and other project types.

**Staff Recommendation:** Staff recommends mixed-use projects and other project types not already discussed, such as General Plan Amendments, Precise Plans, and Zoning Ordinances, be evaluated by analyzing each land use separately with its applicable threshold of significance. VMT reducing strategies inherent to mixed-use development such as internal trip capture could be analyzed with a detailed VMT analysis.

c. **Multi-Modal Transportation Analysis**

Using the VMT analysis as the new metric for assessing transportation environmental impacts under CEQA does not provide a means for understanding the functionality of local roads for all users; and does not identify potential issues related to site access and circulation, intersection safety and queuing, bicycle/pedestrian/public transit accessibility, and neighborhood impacts or spillovers.

For this reason, there continues to be a need to manage a project's adverse effects on local roadways by imposing conditions that may result in design modifications and operational improvements during the project review and permitting phases. This proposed Multi-Modal Transportation Analysis (MTA) will be conducted outside the CEQA process. The City of San Jose has developed a similar requirement and has been using it since early 2018.

Projects above a certain threshold may be required to prepare an MTA. The determination of whether an MTA is required will be based upon screening criteria to be outlined in an MTA Handbook currently under development by the Public Works Department. The MTA Handbook will be in place by July 1, 2020. If an MTA is required, project applicants must complete the MTA prior to, or in conjunction with, the project's environmental review requirements.

Components of an MTA will include:

- Assessment of existing multi-modal transportation conditions;
- Assessment of relevant City plans and projects under way or planned;
- Consistency with the General Plan or other City requirements;
- Analysis of project adverse transportation “effects” related to site access and circulation, pedestrian quality of service, bicycle level of traffic stress, public transit effectiveness, signalized intersection operations, local transportation safety, and neighborhood impacts or spillovers;
- Compliance with the applicable County Congestion Management Program; and
- Proposed design changes and operational improvements to address adverse effects.
- Both the Santa Clara County Roads and Airports Department and Caltrans are currently updating their analysis requirements for new development to ensure safe, efficient operations along the expressways and freeways. This updated requirement may be included in the MTA when new guidelines are adopted.

Transportation recommendations and improvements resulting from the MTA may be included as part of a project’s conditions of approval and may result in design modifications, multimodal operational improvements, multi-modal transportation improvements from adopted City planning documents, or a combination of the above. During the environmental review process, these transportation multi-modal improvements may be integrated into the VMT analysis. Furthermore, the City may choose to recommend project approval with or without multi-modal operational improvements.

**EPC Comments:** The EPC had general comments about the expected contents and approach of the MTA. Staff noted the MTA would be completed at the staff level, and staff could share the MTA with the EPC as soon as the MTA is available. Staff expects this will be in July 2020.

**City Council Comments:** The Council inquired about the contents of the MTA and about how it fits into the proposed transportation analysis flow.

The Council expressed desire to be briefed on the MTA process after it has been developed by staff. Staff notes that these would be shared as soon as the MTA is available in July 2020.

## **ENVIRONMENTAL REVIEW**

Adopting new thresholds of significance itself is not considered a project under CEQA.

## **NEXT STEPS**

The City Council will consider the EPC recommendations at their June 23, 2020 meeting.

Prepared by:

Soroush Aboutalebi, AICP  
Assistant Planner

Ria Hutabarat Lo, Ph.D.  
Transportation Manager

Approved by:

Martin Alkire  
Advanced Planning Manager

Aarti Shrivastava  
Assistant City Manager/  
Community Development Director

SA-RHL/6/CDD  
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- Exhibits:
1. Resolution
  2. EPC October 23, 2019 Study Session Staff Report
  3. Existing Supporting Policies
  4. Heat Map 1—Variation from the Nine-County Bay Area Regional Average VMT per Capita
  5. Heat Map 2—Variation from the Nine-County Bay Area Regional Average VMT per Employee
  6. Transit Priority Area Map 1
  7. Heat Map 1 with TPA Overlay
  8. SB 743 Fact Sheet and FAQ