Exhibit 2

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION STAFF REPORT WEDNESDAY, OCTOBER 23, 2019

3. STUDY SESSION

3.1 SB 743 CEQA Update

RECOMMENDATION

That the Environmental Planning Commission (EPC) review background information and a presentation on Senate Bill 743 (SB 743).

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. A City Council meeting will be held regarding this project, and property owners and interested parties will be notified.

PURPOSE AND SUGGESTED MEETING PROCEDURE

The purpose of this meeting is to hear and consider background information on changes to the California Environmental Quality Act (CEQA) SB 743 regarding vehicle miles traveled (VMT) and transportation impact analysis.

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

- 1. Staff presentation.
- 2. Commission questions.
- 3. Public comments.
- 4. Commission discussion.

BACKGROUND AND ANALYSIS

California lawmakers have identified sustainability as a Statewide goal. Specifically, the reduction of greenhouse gases is of critical importance for the State, nation, and world at large. SB 743, as codified in California Public Resources Code Section 21099, will help the State reach its climate action targets. Explicitly, Section 21099 calls for "Modernization of Transportation Analysis for Transit-Oriented Infill Projects" and does this through reform of the CEQA.

The most recent CEQA Guidelines state level of service (LOS) can no longer be used as **a threshold to establish significance for transportation impacts**, as defined by SB 743. SB 743 requires cities to evaluate transportation impacts with metrics that support the reduction of greenhouse gas emissions, development of multi-modal transportation networks, and diversification of land uses. The Governor's Office of Planning and Research (OPR), therefore, requires CEQA Lead Agencies replace LOS with VMT. The law does not prohibit use of automobile delay metrics for any supplemental analysis. All lead agencies must adopt new thresholds of significance by July 1, 2020.

The following is a comparison of LOS and VMT and includes the City's current policies regarding transportation analysis.

Level of Service (LOS) Overview

For decades, standard practice for assessing the functionality of urban transportation systems has been to use LOS analysis. LOS establishes a letter grade (A-F) for intersections – an A grade represents free-flowing traffic, and an F grade represents significant congestion. LOS measures automobile delay, or how long it takes vehicles to pass through an intersection (on a typical day during peak travel periods).

Lead Agencies assign LOS grades to intersections to measure transportation impacts under CEQA. If a roadway performs at or above a specified LOS grade, then there is no significant transportation impact. Conversely, if the roadway performs below the specified LOS threshold, then there is a significant transportation impact. For Mountain View, the City's General Plan Action Plan states that the threshold of significance for transportation impacts is LOS E for intersections along Castro Street and San Antonio Road, and LOS D for all other City intersections.

Impact of LOS Mitigation Measures

If a project is presumed to cause a significant transportation impact, then its associated environmental document must include mitigation measures. Mitigations in response to significant LOS impacts are predominantly related to roadway capacity expansion projects.

Roadway Capacity Expansion

There are a number of issues with widening roads as the primary mitigation to transportation impacts. First, added roadway capacity eventually leads to increased traffic which exacerbates congestion, a phenomenon referred to as induced demand. As a result, this mitigation eventually perpetuates the problem it aims to resolve.

Secondly, capacity expansion also creates spatial issues between modes and across different land use types. The public right-of-way has finite surface area, adding lanes for motor vehicles truncates space devoted to other modes, such as sidewalks, bikeways, and transit stops. These actions demonstrate a bias for efficiency of travel for automobiles as they reduce the quality of pedestrian facilities and often force bicyclists to share the road with motorists. Moreover, street expansions tend to reduce the efficiency of transit systems using the roadway by reducing feasible locations for stops and associated facilities. LOS also exacerbates urban sprawl by rewarding greenfield development, as traffic tends to move faster in outlying areas.

Safety Concerns

Another consequence of reliance on LOS mitigations is decreased safety for nonmotorized travel. Favorable traffic conditions indicated by LOS grades over the established threshold do not demonstrate intersection performance from the perspective of bicyclists and pedestrians. For example, LOS A indicates free-flow automobile traffic movement at or exceeding the speed limit, which may undermine safety of bicycling and travel on foot. Thus, a roadway mitigated in response to a significant LOS impact is perceived as less safe for nonmotorized modes.

<u>Cost</u>

Exclusive use of LOS as the metric for transportation impacts can be costprohibitive. LOS analyses have to be conducted by traffic experts and are expensive. Furthermore, expansion projects have high capital costs and require costly maintenance, monitoring, and repair.

Vehicle Miles Traveled (VMT) Overview

VMT analysis measures the distance driven in a specific geography and is used to understand how vehicle mileage throughout a jurisdiction or region is affected by a project. It is useful because it more comprehensively quantifies transportation system performance than LOS analysis, examining transportation impacts not just during peak periods and at select roadway segments. VMT calculation can be in the form of regional VMT, City VMT, VMT per capita, or VMT per employee, among others.

State-Recommended VMT Thresholds

A project is presumed to have a significant transportation impact if it results in an increase in VMT compared to an adopted threshold. Thresholds of significance may vary relative to project type. OPR advises that a residential or an office project exceeding a level of **15 percent below** existing regional VMT per capita/employee may indicate a significant transportation impact. For retail projects, OPR recommends a net increase in total VMT may indicate a significant transportation impact.

Possible VMT Mitigation Measures

Lead Agencies have discretion in selecting VMT mitigation measures. OPR suggests several mitigations to reduce VMT, including Transportation Demand Management (TDM) strategies, land use management, and parking management. TDM measures help reduce vehicle travel, as opposed to increasing speed and flow of traffic. There are a variety of TDM strategies, including improvement of multi-modal infrastructure, setting trip caps, or providing transit shuttles for residents and employees. The myriad of mitigation options provides flexibility for Lead Agencies to assign mitigation measures best suited to mitigate impacts from a project.

Current Usage of VMT

The City of Mountain View has not yet formally adopted VMT thresholds of significance, but it has been familiar with the metric for some time. VMT is currently used in CEQA review to assess project impacts to energy and greenhouse gas emissions. VMT is also the most commonly used metric to calculate greenhouse gas emissions from the transportation sector for sustainability purposes and climate action planning.

Alignment with Climate Action Goals

Leading guidance for greenhouse gas emission analysis and climate action plans contend that vehicle travel distance-based metrics are best suited for determining emissions from the transportation sector. VMT data are direct inputs in formulae used to calculate transportation-sector emissions for greenhouse gas emissions inventories and other climate action documents. Furthermore, greenhouse gas emission reduction targets for transportation at any level of organization (local, State, global, business) can be directly translated to necessary reductions in the quantity of VMT. This alignment in methodology and metrics makes it easier to reach climate action goals.

Benefits of VMT

VMT mitigations often take the form of additional investment in multi-modal infrastructure. Enhanced bicycle and pedestrian facilities make these other modes safer and more attractive for travelers. Increased use of nonmotorized travel also has the co-benefit of decreased greenhouse gas emissions. Finally, reduced roadway capacity expansion provides additional utility for public transportation and decreased maintenance costs for jurisdictions.

Assessing transportation impacts in terms of VMT allows for streamlined review of infill projects and transit-oriented development, which are beneficial because they incentivize development in low-VMT locations. In sum, shifting from LOS to VMT helps streamline development review, reduces cost, promotes safety, and creates alignment in measuring traffic and greenhouse gases for Lead Agencies and across cities and regions.

CITY PROCESS THUS FAR

Community Development Department staff hired a consultant, Nelson\Nygaard, to assist with setting appropriate thresholds of significance and other tasks associated with SB 743 compliance.

Additionally, Valley Transportation Authority (VTA) has taken the Santa Clara County lead in helping its cities with this work. VTA has developed a tool to estimate project generated VMT, which will be used by staff and environmental and traffic consultants when reviewing development projects.

The following is a tentative task list for the City's SB 743 work:

Fall 2019

- 1. Establish SB 743 website
- 2. EPC Study Session

Winter 2019

- 1. Staff to draft development policies, including analyzing different thresholds and their implications to the City's General Plan
- 2. Potential workshop with public, developers, or environmental and transportation consultants
- 3. EPC Study Session policy options
- 4. City Council Study Session policy options

Spring 2019

- 1. Further staff technical analysis of policy options
- 2. EPC public hearing to consider new thresholds of significance
- 3. City Council public hearing to consider new thresholds of significance

ENVIRONMENTAL REVIEW

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

NEXT STEPS

Work will continue to analyze existing City policies that will be affected or need to be changed as a result of complying with SB 743. The recommended thresholds will be reviewed by the EPC in spring 2020. The EPC recommendation will then be forwarded to the City Council for final adoption hearings, prior to the required compliance date of July 1, 2020.

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Exhibit: 1. SB 743 Factsheet