



Date: January 12, 2018
 Current Meeting: January 18, 2018
 Board Meeting: N/A

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Congestion Management Program & Planning Committee

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director - Planning & Programming, Chris Augenstein

SUBJECT: Update on SB 743 and LOS-to-VMT Transition

FOR INFORMATION ONLY

BACKGROUND:

Senate Bill (SB) 743, approved by the California legislature in September 2013, includes changes to the California Environmental Quality Act (CEQA) and Congestion Management Program (CMP) law related to the analysis of transportation impacts. The bill directs the Governor's Office of Planning and Research (OPR) to develop alternative metrics to replace the use of vehicular "level of service" (LOS) for evaluating the transportation impacts of projects under CEQA. These changes are likely to have significant implications for VTA and Member Agencies.

On November 27, 2017, OPR took a long-awaited major step in the implementation of SB 743 by transmitting its proposed CEQA Guidelines implementing SB 743 to the California Natural Resources Agency for formal rule-making. At the same time, OPR released an updated *Technical Advisory on Evaluating Transportation Impacts in CEQA*. These materials are described further in the Discussion section below, and are available at <http://www.opr.ca.gov/ceqa/updates/sb-743/>.

Between December 2013 and January 2016, OPR released three earlier rounds of draft guidance on implementing SB 743. VTA staff brought Information items to TAC, PAC and CMPP after each of these rounds, in April 2014, September 2014, and February 2016.

VTA is bringing this item to January 2018 TAC, PAC and CMPP to share information on the implementation of SB 743, provide an overview of VTA's recent and upcoming efforts in this area, and receive committee input to help shape any comments that VTA may submit during the rule-making process. VTA also strongly encourages Member Agencies to become familiar with SB 743 and OPR's November 2017 guidance, and to submit their own comments as appropriate. VTA staff is available to help with this education process if needed.

DISCUSSION:

Key changes to CEQA analysis of transportation impacts, effects on CMP and local transportation analysis, and steps in the SB 743 rule-making process and implementation in Santa Clara County are described below.

SB 743 Changes to CEQA Analysis of Transportation Impacts

For a number of years, environmental review of proposed projects under CEQA has relied on vehicular LOS, a measure of vehicular delay or congestion, as a primary measure of transportation impact. Lead Agencies analyze LOS when preparing transportation analysis of proposed projects, disclose impacts if the LOS exceeds an established threshold, and identify mitigation measures for these impacts where feasible.

SB 743 calls for OPR to develop new significance criteria to replace LOS in CEQA transportation analysis for projects. The legislation states that once the new criteria are adopted, “Automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment” in the locations where the new criteria will apply (21099 (b) (2)).

SB 743 Effects on CMP and Local Transportation Analysis

State CMP law calls for the use of vehicular LOS in monitoring the performance of key transportation facilities and in analyzing transportation impacts of proposed land use developments, in urbanized counties that have a CMP. VTA, as the Congestion Management Agency (CMA), maintains the CMP for Santa Clara County in partnership with its 16 Member Agencies. The VTA CMP establishes a minimum standard of LOS E for CMP facilities. This threshold applies when a Transportation Impact Analysis (TIA) is prepared for CMP purposes. Additionally, many Member Agencies have established local LOS thresholds for non-CMP facilities.

SB 743 amends CMP law to reinstate the ability of cities and counties to designate “Infill Opportunity Zones” where the CMP LOS standard would not apply (65088.4). These areas may be established in Transit Priority Areas or high quality transit corridors with 15-minute or better service frequencies. A previous provision in CMP law allowing the establishment of Infill Opportunity Zones expired in 2009. No Member Agency in Santa Clara County had utilized that provision prior to that date.

SB 743 does not preclude local agencies from applying LOS in General Plan policies, zoning codes, conditions of approval, or any other planning requirements pursuant to the police power or other authority. In other words, local agencies can retain LOS for a number of purposes, including transportation impact analysis studies, but cannot apply it to CEQA analysis.

SB 743 State Rule-Making Process and Implementation Timeline

Along with its November 2017 transmittal of the proposed CEQA Guidelines to the Secretary of Natural Resources, OPR staff identified the anticipated timeline for the rule-making process; that

the Natural Resources Agency rule-making process should take approximately six months, and will include a formal 45-day public comment period. Following this rule-making process, the Guidelines will go to the Office of Administrative Law for a legal review of one to two months, after which they will go into effect. OPR anticipates this will occur in early Fall 2018.

Once the new CEQA Guidelines go into effect, an “opt-in” period will start during which Lead Agencies may begin using the newly adopted Guidelines; OPR notes that agencies are free to switch from LOS to VMT any time before the rule-making process is complete. OPR has specified that *use of the new Guidelines will be mandatory for all Lead Agencies on January 1, 2020*.

SB 743 Implementation and the LOS-to-VMT Transition in Santa Clara County

The changes to transportation analysis in SB 743 will have significant implications for VTA as a CMA, transit agency, and CEQA Lead Agency on transit and roadway capital projects. In addition, Member Agencies will also be affected in their role as CEQA Lead Agencies.

As noted in the Background section, VTA staff has been active in sharing information and facilitating discussion with Member Agencies on SB 743 since its adoption. VTA staff has also submitted comment letters to OPR on their draft guidance, and anticipates submitting a letter during the formal rule-making period in early 2018.

In recent months, VTA has discussed LOS-to-VMT issues and ideas with the Land Use / Transportation Integration (LUTI) and Systems Operations & Management (SOM) Working Groups of the VTA TAC, as well as a number of individual Member Agencies. In these discussions, staff has received strong support and numerous requests for VTA to play a lead role in helping with LOS-to-VMT implementation in Santa Clara County. VTA staff is in the process of developing a work plan for LOS-to-VMT efforts over the coming 18 to 24 months, leading up to the January 2020 mandatory adoption date.

The City of San Jose has been actively preparing to transition from the use of LOS to VMT as the primary metric in transportation analysis for San Jose under CEQA. San Jose staff has engaged in an extensive stakeholder outreach process and is planning to bring a new city transportation analysis policy for Council approval in February 2018. More information is available at <http://www.sanjoseca.gov/vmt>. Other VTA Member Agencies have indicated that they are monitoring SB 743 implementation, with some planning to switch at the start of the opt-in period and others planning to wait until the mandatory adoption date.

ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:

This item was on the Regular Agenda at the January meeting of the Technical Advisory Committee (TAC). Members of the Committee had the following comments and questions: 1) thanked VTA for taking a leadership role and sharing information on this topic; 2) commented that agencies will need to find other tools to address local operational issues, and that VMT analysis will place greater emphasis on maintaining a comprehensive travel demand model; and 3) noted that the City of San Jose is planning to designate certain areas as Infill Opportunity Zones, and asked to confirm what this means in terms of CMP requirements. Staff acknowledged comments 1) and 2), and for 3) staff noted that San Jose will be the first agency in

Santa Clara County to designate IOZs and VTA staff will need to confirm exactly what this means in terms of LOS analysis for development projects as well as CMP LOS monitoring.

This item was on the Regular Agenda at the January meeting of the Policy Advisory Committee (PAC) but was deferred to a future meeting.

Prepared By: Rob Swierk
Memo No. 6380

Update on SB 743 and LOS-to-VMT Transition

VTA Congestion Management Program &
Planning Committee
January 2018



Background: LOS and VMT

- Vehicular **Level of Service (LOS)** is a way of measuring transportation performance that focuses on delay and congestion; letter scale from A to F
- **Vehicle-Miles-Traveled (VMT)** measures the total amount of vehicular travel across the system, rather than at specific points; usually expressed per person



Background: VTA Guidance on LOS Analysis

- VTA in its Congestion Management Agency role has provided an established framework for LOS analysis

The image displays four documents from the Santa Clara Valley Transportation Authority (VTA). On the left is the cover of the '2017 CMP 2017 CONGESTION MANAGEMENT PROGRAM DOCUMENT', featuring a photograph of a bus at a station and the VTA logo. In the center is the cover of the 'TRAFFIC LEVEL OF SERVICE ANALYSIS GUIDELINES', which has a green wavy graphic and text indicating it was adopted in 1995 and updated in 2003. On the right is the cover of the 'TRANSPORTATION IMPACT ANALYSIS GUIDELINES', which includes icons for bus, pedestrian, bicycle, and car, and notes it was adopted in October 2014. At the bottom right is the VTA logo and the text 'SANTA CLARA VALLEY TRANSPORTATION AUTHORITY CONGESTION MANAGEMENT PROGRAM'.

2017 CMP
2017 CONGESTION MANAGEMENT PROGRAM DOCUMENT
PREPARED BY THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
THE CONGESTION MANAGEMENT AGENCY FOR SANTA CLARA COUNTY
DECEMBER 2017

TRAFFIC LEVEL OF SERVICE ANALYSIS GUIDELINES
SANTA CLARA COUNTY TRANSPORTATION AUTHORITY
CONGESTION MANAGEMENT PROGRAM
ADOPTED | JANUARY 1995
UPDATED | JUNE 2003

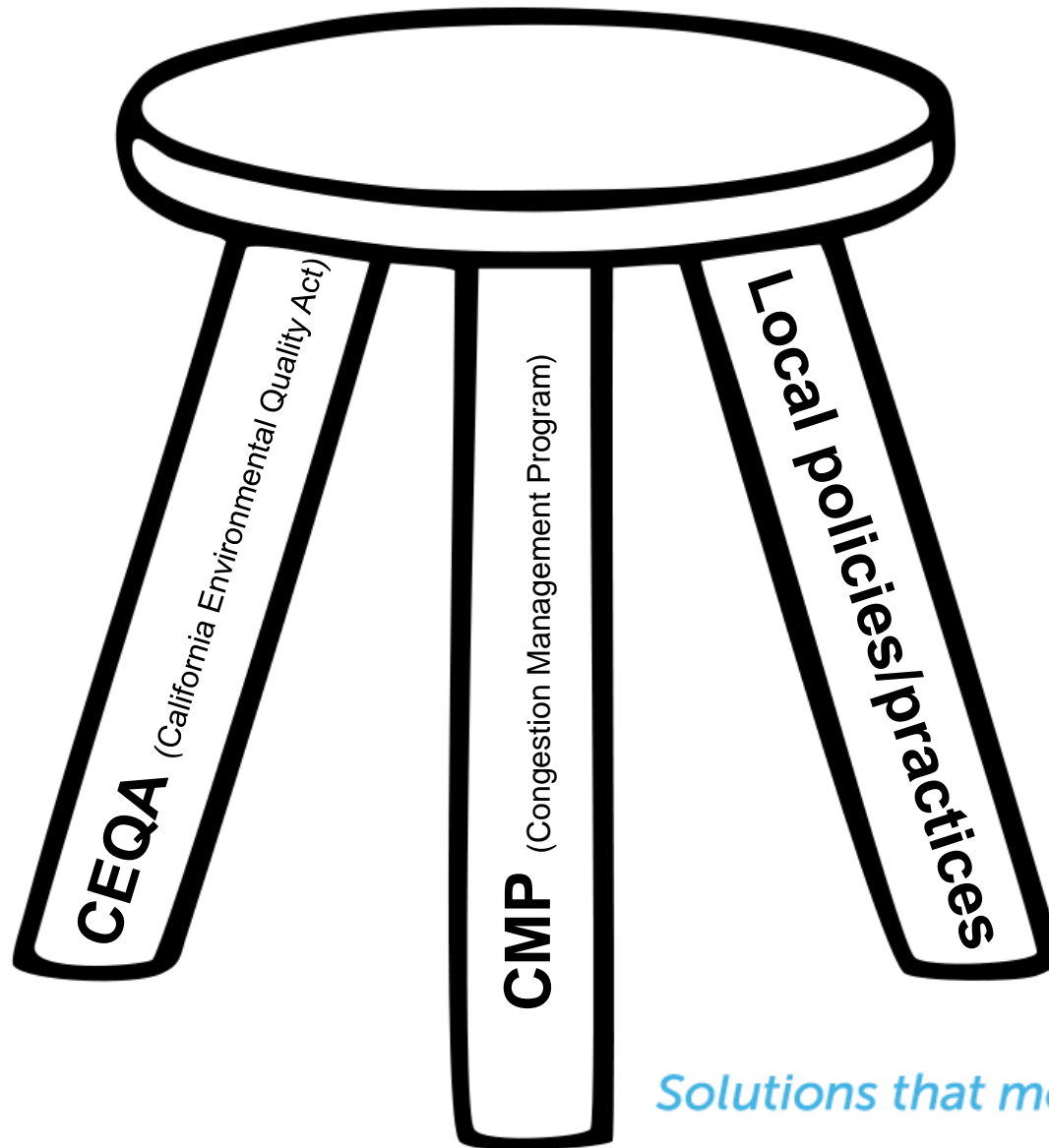
TRANSPORTATION IMPACT ANALYSIS GUIDELINES
ADOPTED OCTOBER 2014
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
CONGESTION MANAGEMENT PROGRAM



Solutions that move you

Transportation Analysis of Development Projects

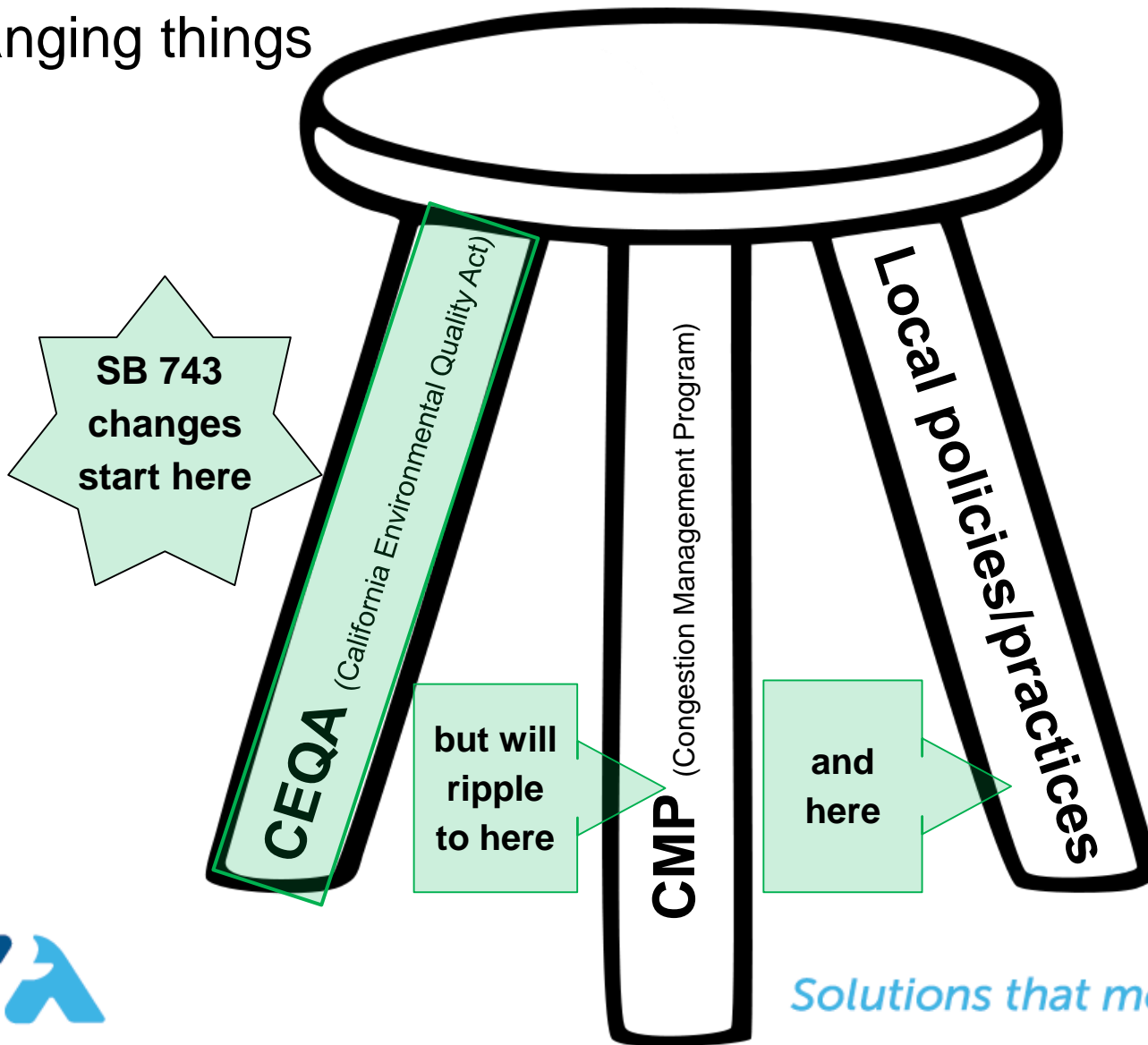
The “three-legged stool”



Solutions that move you

Transportation Analysis of Development Projects

How SB 743 is changing things



Solutions that move you

Senate Bill 743 – Overview

SB 743 primarily changes CEQA:

- Directs Governor’s Office of Planning and Research (OPR) to establish new CEQA criteria for transportation impacts
- “**Automobile delay**, as described solely by level of service or similar measures... **shall not be considered a significant impact on the environment** ... in the locations where the new criteria will apply” (21099 (b) (2))
- New primary metric will be **VMT** – aligns with climate goals

Nov. 2017 – draft guidelines sent for formal rule-making; expected mandatory date of **January 1, 2020**



SB 743 – CMP and Local Practice

SB 743 and Congestion Management Programs (CMPs):

- Reinstates the ability of cities and counties to designate **“Infill Opportunity Zones” (IOZs)** where CMP LOS standard would not apply

SB 743 and Local Practice

- SB 743 **does not preclude** local agencies from applying LOS in policies, codes, conditions of approval, etc.



VTA Perspective on SB 743

Key benefits:

- Streamline transit, bicycle, and pedestrian projects
- Promote/streamline TOD/Transit-Oriented Development (support ridership/revenue for transit)
- Help cities/counties align transportation analysis with community values

Some challenges and opportunities with implementation – e.g., consistency/transition



Solutions that move you

VTA Activities to Date on SB 743

2014 through first half 2017:

- Getting informed and sharing information
- Gathering input from Member Agencies
- Providing VTA input to OPR/state

New effort starting Fall 2017:

- Fostering discussion about how cities, County and VTA can work together on implementation
- Working toward consistent methods/guidelines
- 18 to 24 month timeline – guidance by later 2019



Solutions that move you

VTA's Goals and Objectives for LOS-to-VMT Transition

Goal: Steer VTA through the LOS-to-VMT transition, and play a leadership role in guiding Member Agencies

- Objectives:
 - A. Take a leadership role
 - B. Move county in overall progressive and pragmatic direction
 - C. Reform VTA's practices – focusing on CMA and CEQA Lead Agency roles
 - D. Provide guidance on thresholds and methodology



Solutions that move you

Next Steps – Near-Term

- Confirm VTA Work Plan and Schedule
- Form Ad Hoc Working Group (w/Member Agencies)
(both Transportation/Engineering and Planning)
- VTA Webinar January 23, 2018
- Possible regional PDA Assistance
- Confirm key questions and begin to explore in-depth
- Updates at VTA Committees later 2018



Questions and Discussion



Solutions that move you