

City of Piedmont
CITY COUNCIL AGENDA REPORT

DATE: May 15, 2023

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of a Resolution Adopting a Policy for Analyzing Vehicle Miles Traveled (VMT) Impact under the California Environmental Quality Act

RECOMMENDATION

Approve the attached resolution adopting a policy for analyzing VMT impact under California Environmental Quality Act.

EXECUTIVE SUMMARY

This report provides background information about Senate Bill 743 (SB 743) and the rationale behind staff's recommendation that the City Council adopt a policy establishing a locally appropriate framework for the use of Vehicle-Miles Traveled (VMT) based metrics when conducting transportation analysis under the California Environmental Quality Act (CEQA).

Piedmont's particular characteristics – its small size and scale, largely residential and built-out nature, and lack of direct freeway access – set it apart from most other cities in the region. Because of these characteristics, most development projects proposed in Piedmont are, and will likely continue to be, relatively small. For this reason, most projects are likely to be exempt from VMT analysis. However, staff recommends adoption of the VMT policy to bring the City into conformance with State law and to clarify the framework for preparing the environmental review for development projects that are not exempt from CEQA or VMT analysis. As an informational item staff presented this policy at the May 8, 2023, Planning Commission meeting and a link to the meeting video is available [here](#).

SENATE BILL 743 OVERVIEW AND POLICY BACKGROUND

CEQA requires land use development and transportation projects to identify, disclose, and mitigate environmental impacts. Transportation is one of 18 environmental resources studied in CEQA analysis. Historically, many lead agencies chose to use Level of Service (LOS), a measure of vehicle delay, to define transportation impacts under CEQA. Mitigations of LOS impacts have compelled communities to widen roads and incentivized sprawling land use patterns, resulting over time in more driving, congestion, and pollution.

Senate Bill 743 (Steinberg, 2013), codified in [Public Resources Code section 21099](#), requires lead agencies to replace LOS to better align transportation impact criteria with State environmental, economic, and public health goals by July 1, 2020. The criteria for determining the significance of transportation impacts and setting new thresholds must “promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.”

The Governor’s Office of Planning and Research (OPR) supports the implementation of SB 743 by providing resources. OPR recommends that jurisdictions replace LOS with Vehicle Miles Traveled (VMT) based metrics and provides guidance on how to accomplish this. This shift will better align transportation impact analysis and mitigation outcomes to reduce greenhouse gas emissions, encourage infill development, and improve public health. Jurisdictions in California are now required to use VMT based metrics to evaluate environmental impacts related to transportation. Cities can still use LOS within the local development review process to inform site access and traffic operations decisions, but LOS cannot be used to evaluate CEQA impacts or mitigations.

VMT measures the amount of driving produced by a project and provides a measure of travel efficiency of a land use project. The shift to VMT policies is intended to help achieve climate commitments, preserve the environment, improve health and safety, create sustainable communities, encourage more efficient use of the transportation network, and provide more travel choices for each jurisdiction, as well as for the region and state.

As a lead agency, the City of Piedmont must adopt a policy that brings it into compliance with SB 743.

DISCUSSION

Based on OPR’s guidance, and considering local conditions, the City of Piedmont engaged the services of transportation consultant Niko Letunic of Eisen Letunic to develop a VMT Policy document. The Draft VMT Policy establishes a framework for analyzing transportation impacts under CEQA to comply with SB743. The Draft VMT Policy document (Exhibit A, agenda report pages 7-10) outlines:

1. Criteria for screening projects for analysis:

The City can establish a screening criterion to avoid performing unnecessary detailed studies and quickly identify projects that would cause less-than-significant VMT-based impacts. The Draft VMT Policy establishes that the five project types listed below are considered exempt from VMT analysis under the assumption that they will cause less-than-significant VMT-based impacts:

- Projects expected to generate or attract fewer than 110 car trips per day.
- Projects proposed within ¼ mile of a bus stop serving a bus line with service intervals generally no longer than 15 minutes during peak commute hours.
- Service and retail uses that attract local trips.
- 100% affordable housing projects.
- Transportation projects that do not increase roadway capacity for automobiles.

2. The methodology for measuring the estimated project related VMT:

The Draft VMT Policy adopts the Alameda County Transportation Commission's (Alameda CTC) model for measuring the estimated project related VMT. Under this model estimated project VMT may be measured as an *absolute* value (meaning total amount of daily VMT to and from a project) or on a per capita basis (meaning absolute VMT divided by the number of project residents, employees, or other population). VMT for different types of projects should be measured or estimated as follows:

- Residential projects: estimate using home-based VMT per resident.
- Office/employment projects: estimate using home-based work VMT per employee.
- Other land use projects: estimate using the net change in total VMT.
- Transportation projects: estimate using total VMT.
- Once the project VMT is calculated, the City must determine if that level of VMT constitutes a significant environmental impact.

3. VMT-based transportation thresholds of significance:

To determine whether a project's VMT constitutes a significant impact, the measured VMT must be compared against a threshold of significance. Based on OPR guidance, the Draft VMT Policy establishes the thresholds of significance listed below for various types of projects:

- Residential projects: The proposed project's VMT is greater than 85 percent of the existing nine-county Bay Area VMT per resident.
- Office/employment projects: The proposed project's VMT is greater than 85 percent of the existing nine-county Bay Area VMT per employee.
- Mixed-use projects: Each land use component of the project should be analyzed independently, applying the appropriate threshold of significance from above to each land use type included in the project.
- Other land use project types: Net increase in total VMT (difference in total VMT with and without the project).
- Transportation projects: Net increase in total VMT.

4. Options for applying mitigation measures as appropriate:

Mitigating a project's VMT entails reducing the number and length of vehicle trips generated and attracted by the project. The Draft VMT Policy establishes that when attempting to mitigate a project VMT, the City should consult Alameda CTC's [VMT reduction calculator tool](#). This excel-based tool was designed to assist member agencies, including the City, in implementing SB743.

It should be noted that mitigating a project's VMT impact effectively for purposes of CEQA is challenging. While many potential mitigation measures exist, most are of low or uncertain effectiveness (for example, subsidizing transit passes or providing bicycle parking) or applicable only at the community level rather than at the project site level (improvements to the local bicycle

network or to transit service, for example). If the VMT impact cannot be mitigated to a less-than-significant level, the City would need to prepare an Environmental Impact Report for the project, mitigate the project to the extent feasible and adopt a “statement of overriding consideration” in order to approve the project.

CONCLUSION

Adoption of the VMT policy brings the City into conformance with State law and it clarifies the framework for preparing the environmental review for development projects that are not exempt from CEQA or VMT analysis. Copies of this policy and other information relevant to environmental review will be provided on the City website.

By: Kevin Jackson, Planning and Building Director
Gopika Nair, Associate Planner

ATTACHMENTS

Pages

- | | | |
|---|------|------------------------------------|
| 1 | 5-6 | Resolution to Adopt the VMT Policy |
| | 7-10 | Exhibit A- Final VMT Policy |

RESOLUTION No. _____

**RESOLUTION ADOPTING A POLICY UPDATING THE CITY’S PROCESS FOR
ANALYZING TRANSPORTATION IMPACTS UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT IN ORDER TO COMPLY WITH CALIFORNIA SENATE
BILL 743**

WHEREAS, under Senate Bill 743 (SB 743), enacted into law in 2013, transportation metrics based on automobile delay or congestion—typically measured in terms of “level of service” (LOS)—may no longer be used to establish the significance of transportation impacts of proposed projects under the California Environmental Quality Act (CEQA); and

WHEREAS, SB 743 directed the Governor’s Office of Planning and Research (OPR) to develop new CEQA criteria which would better measure the actual transportation-related environmental impacts of any given project (essentially by measuring the impacts caused *from driving* rather than the impacts caused *to drivers*); and

WHEREAS, in response to SB 743, in 2018 OPR proposed, and the California Natural Resources Agency certified and adopted, new CEQA Guidelines, including Section 15064.3, which identifies “vehicle-miles traveled” (VMT)—meaning the amount of automobile travel attributable to a project—as the most appropriate measure of a project’s transportation impacts under CEQA; and

WHEREAS, the requirements of CEQA Guidelines Section 15064.3 have been in effect state-wide as of July 1, 2020; and

WHEREAS, also in 2018, in December, OPR published a *Technical Advisory on Evaluating Transportation Impacts in CEQA* which provides substantial evidence that VMT is a better indicator than LOS of a project’s greenhouse gas, air quality and energy impacts, and is an appropriate metric to use in analyzing transportation-related impacts to protect environmental quality, including in determining thresholds of significance; and

WHEREAS, OPR’s 2018 Technical Advisory provides detailed technical guidance and recommendation on complying with requirements under SB 743 to “lead agencies” evaluating projects under CEQA; and

WHEREAS, based on OPR guidance (including the 2018 Technical Advisory) and considering local conditions, the City has developed a policy—hereinafter referred to as the “VMT policy”—that updates its process for analyzing transportation impacts under CEQA to comply with the requirements under SB 743, including by replacing LOS-based analysis of transportation impacts with a VMT-based analysis; and

WHEREAS, again based on OPR guidance, the City’s VMT policy provides for setting project-screening criteria for analysis, assessing VMT from projects, formulating VMT-based transportation thresholds of significance and applying mitigation measures as appropriate; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Piedmont adopts the VMT policy, attached hereto and incorporated herein as Exhibit A, updating the City’s process for analyzing transportation impacts under CEQA.

SECTION 1. The above recitals are correct and are incorporated into this Resolution as findings of the City Council.

SECTION 2. The policy updating the city's process for analyzing transportation impacts under the California Environmental Quality Act in order to comply with California Senate Bill 743, is hereby adopted.

SECTION 3. The Planning Director and the Public Works Director are the custodians of documents and other materials that were considered by the City Council and constitute the record of proceedings on which this decision was based. The records are located at the Planning & Building Department, 120 Vista Avenue, Piedmont, CA 94611.

SECTION 4. All portions of this resolution are severable. If an individual component of this Resolution is adjudged by a court to be invalid and unenforceable, then the remaining portions will continue in effect.

[END OF RESOLUTION]



DRAFT: City of Piedmont policy for analyzing VMT impact under CEQA

Introduction

California Senate Bill 743 (SB 743), enacted into law in 2013, requires that public agencies revise the way they analyze the transportation-related impacts to the environment from projects being evaluated under the California Environmental Quality Act (CEQA). Until recently, transportation analyses under CEQA—including those conducted by the City of Piedmont—typically focused on the impacts of a development project on traffic congestion and delay, usually measured in terms of vehicle “level of service” (LOS). However, leading up to the passage of SB 743, there had been a growing recognition that LOS is a flawed measure of the environmental impacts of transportation. LOS measures a project’s impacts *to drivers*, in terms of congestion and delay,



but it does not measure the impacts *to the environment from driving*, in terms of regional air pollution, greenhouse gas

emissions, resource use and pollution to water bodies, among other effects.

Moreover, LOS-based analyses conflict head-on with California’s most critical environmental and transportation goals, including reducing greenhouse-gas emissions and easing the state’s dependence on private automobiles. By complicating project approval under CEQA, LOS analyses penalize precisely the types of projects that advance the state’s goals. Such types of projects include infill development, higher-density development and transportation projects that replace street capacity for cars with bus lanes, bikeways and footpaths. The mitigation of LOS impacts also typically works against the state’s goals, by widening streets and intersections or by reducing a project’s development density.

In response to the problems associated with LOS-based analyses, SB 743 tasked the state’s Office of Planning and Research (OPR) to revise the criteria for determining the significance of transportation

impacts under CEQA so as to “promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” To that end, OPR proposed, and the California Natural Resources Agency certified and adopted, changes to the state’s CEQA guidelines. The changes, in effect statewide as of July 1, 2020, identify “vehicle-miles traveled” (VMT)—a measure of how much driving is generated by a project—rather than LOS, as the appropriate metric to evaluate a project’s transportation impacts.

In December 2018, OPR issued its

[“Technical Advisory on Evaluating Transportation Impacts in CEQA”](#), providing



detailed technical guidance and

recommendation on complying with requirements under SB 743 to “lead agencies” evaluating projects under CEQA. Based on OPR’s guidance, and considering local conditions, the City of Piedmont has revised its framework for analyzing transportation impacts under CEQA to comply with SB 743. This VMT policy document outlines the City’s revised framework. As recommended by OPR guidance and following CEQA best practices, the VMT policy covers:

1. Criteria for screening projects for analysis;
2. The methodology for measuring the estimated project-related VMT;
3. VMT-based transportation thresholds of significance; and
4. Options for applying mitigation measures as appropriate.

Piedmont’s particular characteristics—its small size and scale, largely residential and built-out nature, and lack of direct freeway access—set it apart from most other cities. Because of these characteristics, most development projects proposed in Piedmont are, and will likely continue to be, relatively small. It is worth noting up front that, for this reason, most

projects are likely to be exempt from VMT analysis, as explained in the next section.

1 Project-screening criteria

A key change brought about by SB 743 is the ability for lead agencies to exempt, or “screen out,” from VMT analysis those projects with characteristics that are associated with comparatively lower levels of



VMT. To avoid performing unnecessary detailed studies, lead agencies may now use screening criteria to quickly identify projects that would be expected to cause less-than-significant VMT-related impacts.

Based on OPR guidance and considering local conditions, the City of Piedmont will exempt from VMT analysis the five types of projects listed below under the assumption that they will cause a less-than-significant VMT-based impact. However, a project should still be analyzed for its VMT impact if there is substantial evidence indicating that the project might still generate a potentially significant level of VMT (by attracting many long-distance trips or by incorporating a drive-through facility—though such project examples are highly unlikely to be proposed in Piedmont).

- Projects expected to generate or attract **fewer than 110 car trips per day**. As mentioned above, most development projects proposed in Piedmont are, and will likely continue to be, relatively small; therefore, it is expected that this criterion will screen out the majority of projects.
- Projects proposed **within ¼ mile of a bus stop** serving a bus line with service intervals generally no longer than 15 minutes during typical peak commute hours. (As of the time of this writing, the only such line serving Piedmont is AC Transit local line 33; in addition, there might be such lines serving Oakland that stop within ¼ mile of Piedmont. Since bus routes and schedules may change, the City should always use the latest available information.)
- **Service and retail uses** that attract primarily local trips.

- **Residential projects** that contain 100% affordable housing.
- **Transportation projects** that do not increase roadway capacity for automobiles or otherwise lead to additional automobile travel through induced demand. Projects that would be screened out under this criterion include transit, bicycle and pedestrian projects as well as roadway repair and maintenance projects.

A proposed project that does not meet any of the screening criteria must be analyzed for its VMT impact. This is done by first estimating the VMT that will be generated or attracted by the project (see step 2, below), then comparing this VMT to the “threshold of significance” that corresponds to the project type (see step 3).

2 Measuring project VMT

In the Bay Area, the best, most robust data sources for estimating project VMT are the travel-demand forecasting models developed by the various county transportation authorities. For Piedmont, that would be the countywide travel-demand model developed by the Alameda County Transportation Commission (Alameda CTC).

Under Alameda CTC’s (and other counties’) model, estimated project VMT may be measured as an *absolute* value (the total amount of daily VMT to and from a project) or on a per capita basis (absolute VMT divided by the number of project residents, employees or other population). Moreover, VMT may be broken down by trip purpose: all trips, all home-based trips, home-based work trips, other home-based trips and non-home-based trips.



VMT for different types of projects should be measured or estimated as follows:

- **Residential (and similar) projects:** Home-based VMT per resident (also, see the note in the next paragraph).
- **Office/employment (and similar) projects:** Home-based work VMT per employee (also, see the note in the next paragraph).

- **Other land use project types:** Net change in total VMT.
- **Transportation projects:** Total VMT.

It should be noted that for most proposed residential and office/employment projects, project VMT per capita (per resident or per employee) will likely be similar to existing VMT per capita in the project's transportation analysis zone (TAZ), as long as the project's land uses and demographics are similar to existing ones in the TAZ. (TAZ's are areas delineated and used by transportation planning agencies for analyzing traffic-related data; they usually consist of one or more census blocks, block groups or census tracts.) In such cases, as a shortcut, VMT may be quickly estimated by using Alameda CTC's newest TAZ-specific [VMT tables and maps](#).

VMT may also need to be measured for purposes of other, non-transportation analysis topics under CEQA, including air quality, greenhouse gas emissions, energy use and noise. For these impact areas, the measure should be total project VMT.

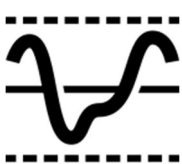
Lastly, the City may consider conducting a project-specific run of Alameda CTC's travel-demand model in the following cases:

- The land use or served demographics of the proposed project are very different from existing ones in the TAZ.
- The project represents a large amount of growth in the City or TAZ.
- The project is of high regional significance.

Once project VMT is calculated, the City must determine if that level of VMT (whether in absolute terms or on a per-capita basis) constitutes a significant environmental impact (see step 3).

3 Thresholds of significance

To determine whether a project's VMT constitutes a significant impact, the measured VMT must be compared against a threshold of significance. Based



on OPR guidance, the City shall use the thresholds of significance listed below for various types of projects; projects that exceed their corresponding threshold would be

presumed to have a significant transportation-related environmental impact.

- **Residential (and similar) projects:** The proposed project's VMT exceeds the level that is 15 percent below existing VMT per resident for the nine-county Bay Area. (In other words, the project's VMT is greater than 85 percent of the existing Bay Area VMT per resident.)
- **Office/employment (and similar) projects:** Project VMT exceeds the level that is 15 percent below existing VMT per employee for the nine-county Bay Area. (In other words, the project's VMT is greater than 85 percent of the existing Bay Area VMT per employee.)
- **Mixed-use projects:** Each land use component of the project should be analyzed independently, applying the appropriate threshold of significance from above to each land use type included in the project.
- **Other land use project types:** Net increase in total VMT (that is, the difference in total VMT in the TAZ with and without the project).
- **Transportation projects:** Net increase in total VMT.

Projects that exceed any of the significance thresholds must attempt to mitigate their VMT impact (see step 4).

4 Mitigation measures

Mitigating a project's VMT entails reducing the number and length of vehicle trips generated and attracted by the project. When attempting to mitigate project VMT, the City



should consult Alameda CTC's [VMT reduction calculator tool](#). This Excel-based tool was designed to assist member agencies, including the City, in implementing SB743. The tool inventories a large number of potential VMT reduction strategies. Based on the location of a particular proposed project and other inputs, the tool estimates the percentage VMT reduction resulting from a stand-alone strategy or a combination of strategies. Another VMT reduction resource worth mentioning is the ["Handbook for Analyzing Greenhouse Gas Emission Reductions,"](#) by the California Air Pollution Control Officers Association.

Other transportation impacts

This policy concerns itself with the impacts of automobile travel, as that is the major change brought about by SB 743. However, this is a reminder that there are other transportation-related impacts that the City needs to continue considering as part of any CEQA evaluation. According to the “Environmental Checklist Form” provided as Appendix G of the official CEQA Guidelines, these additional impacts are whether a proposed project would:

- Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities.
- Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment).
- Result in inadequate emergency access.