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### New Guidelines for Assessing Transportation Impacts Under CEQA Finalized

**The California Natural Resources Agency has adopted new CEQA Guidelines that will leave behind level of service in favor of vehicle miles traveled.** Following years of development and public comment, the Office of Planning and Research (OPR) and the Natural Resources Agency have issued new CEQA Guidelines for analyzing transportation impacts. These new regulations represent a significant shift in analyzing transportation impacts under CEQA. By July 1, 2020, all CEQA lead agencies must analyze a project's transportation impacts using vehicle miles traveled (VMT). VMT measures the per capita number of car trips generated by a project and distances cars will travel to and from a project, rather than congestion levels at intersections (level of service or "LOS," graded on a scale of A - F). California's largest cities have already adopted VMT standards and abandoned LOS, but many other jurisdictions will continue to require LOS analysis -- not for CEQA purposes, but because their general plans or other policies require LOS analysis. In this update, we highlight key aspects of the VMT guidelines and how projects could be impacted by this important change in conducting transportation impacts analysis.



Background In 2013, the California legislature enacted SB 743, which required, among other things, that OPR adopt new guidelines for assessing transportation impacts and that when enacted, traffic congestion would no longer be considered in assessing a significant impact under CEQA. The purpose was to better align transportation impacts analysis under CEQA with the state's goals of reducing greenhouse gas emissions and traffic-related air pollution and promoting multimodal transportation networks and a diversity of land uses. Under the existing framework of congestion-based analysis using LOS, infill and transit-oriented development is often discouraged because such projects are in areas of existing traffic congestion. As policymakers and legislators have recognized, congestion-based analysis does not necessarily improve the time spent commuting and is often at odds with state goals of reducing vehicle usage and promoting public transit. Indeed, a frequent solution to reducing level of service at intersections is to increase roadway capacity, which studies have found can actually lead to an increase in system-wide congestion and an increase in travel time. It is also now better understood that LOS does not accurately reflect vehicle travel as it only focuses on individual local intersections and roadway segments and not on the entire vehicle trip. VMT is not a new tool for assessing environmental impacts under CEQA. It is used to assess a project's impact on greenhouse gas emissions, air quality, and energy. Using VMT for analyzing transportation impacts will emphasize reducing the number of trips and distances vehicles are used to travel to, from, or within a development project. Projects located near transit

and/or within infill areas generally have lower VMT than projects in rural or undeveloped areas. The shift to VMT analysis under CEQA is intended to encourage the development of jobs, housing, and commercial uses in closer proximity to each other and to transit. The New Guideline and Technical Advisory Section 15064.3 of the newly adopted CEQA Guidelines gives agencies wide latitude in assessing transportation impacts with VMT. The more technical details of calculating VMT and assessing impacts are found in a Technical Advisory issued by OPR. The Technical Advisory provides guidance on assessing VMT, different methodologies, significance thresholds, and mitigation measures. SB 743 authorized OPR to decide whether the new VMT-based approach would apply only to "transit priority areas" or to all areas in the state. A transit priority area is an area within one-half mile of a major transit stop. A major transit stop is a "site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods." Pub. Res. Code § 21064.3. OPR has opted to require the new VMT-based analysis in *all* areas of the state, not just in transit priority areas. Transit priority areas are still relevant, however; land use projects within one-half mile of a major transit stop or a stop along a high-quality transit corridor should be presumed to have a less than significant transportation impact. A high-quality transit corridor is a corridor with fixed route bus service with service intervals that do not exceed 15 minutes during peak commute hours. In addition, projects that decrease VMT in the project area as compared to existing conditions should be presumed to have a less than a significant impact. Where quantitative models or methods are unavailable, section 15064.3 allows agencies to assess VMT qualitatively, using factors such as availability of transit and proximity to other destinations. The Guideline also states that the lead agency has discretion to choose the most appropriate methodology and can use its professional judgment to adjust its analysis accordingly. While not legally binding, the Technical Advisory will be an important reference for agencies in determining how to calculate VMT, setting significance thresholds, and identifying mitigation measures. For instance, the Technical Advisory discusses the difference between tour-based and trip-based VMT. Trip-based VMT counts trips to and from one location (i.e. home to work) but does not count any trips taken in between, whereas tour-based VMT includes these trips. Either method can be used for residential and office projects, but the Technical Advisory recommends tour-based VMT because it is more comprehensive. Globally, the Technical Advisory suggests that agencies use consistent methodologies for setting thresholds, estimating project VMT, and estimating reductions from mitigations, to allow for apples-to-apples comparisons. The Technical Advisory also provides guidance for setting screening thresholds and thresholds of significance:

- As stated by the new Guideline, projects within one-half mile of a major transit stop or high-quality transit corridor should be presumed to result in a less-than-significant impact.
- Small projects that generate fewer than 110 trips per day may generally be assumed to cause a less-than-significant transportation impact.
- Agencies may develop map-based screening for residential and office projects where projects located near areas with low VMT may be presumed to have a less-than-significant transportation impact.
- Residential projects that result in per capita VMT that exceeds 85 percent of existing regional or city average VMT may indicate a significant impact.
- Office projects that result in per employee VMT that exceeds 85 percent of existing regional average VMT may indicate a significant impact.
- With retail projects, the Technical Advisory recommends that the analysis should be based on total change in VMT because retail projects usually re-route travel from other retail destinations.

For mitigation measures, the Technical Advisory lists a bevy of measures that could reduce VMT, which include: improving or increasing access to transit; incorporating affordable housing into the project; providing bicycle parking; limiting or eliminating parking supply; and providing telework options. The updated version of the Technical Advisory, released December 2018, includes new guidance on the impact of affordable housing on VMT. Generally, residential projects with more affordable housing are considered likely to reduce VMT, whereas projects that replace affordable housing units with fewer market rate housing units may increase overall VMT. A high percentage of affordable housing may serve as the basis for finding a less-than-significant

transportation impact. Conclusion The new Guidelines and Technical Advisory are consistent with the state's effort to use land use planning to reduce greenhouse gas emissions and air pollution. Many jurisdictions have already made the switch or begun the transition to VMT, including San Francisco, Oakland, San Jose, Los Angeles, and Sacramento. SB 743 and the new guidelines do not, however, require lead agencies to abandon LOS for purposes other than CEQA analysis. Some cities have LOS requirements in their general plans. In these jurisdictions, a project may need both a VMT analysis for CEQA purposes and an LOS analysis for purposes of establishing consistency with the general plan.