 Logos for Metropolitan Transportation Commission and Association of Bay Area Governments

# **SB 743 Policy Adoption Technical Assistance Program**

## Module 3 Memo Template Addendum

# How to Use This Document

This document is a complement to the Module 3 – VMT Mitigation and Steps to Policy Adoption of MTC’s SB 743 Policy Adoption Technical Assistance program. This memorandum is an addendum to the [**Module 2 memorandum**](https://abag.ca.gov/tools-resources/digital-library/task-23-module-2-practice-templatefinal07-15-2022docx) **Senate Bill 743 Implementation - VMT Metrics, Thresholds, Screening Criteria, and Calculation Methods for Adoption**, which provides background about SB 743 and why local jurisdictions need to adopt SB 743 policies and outlines the options available to establish locally appropriate metrics, thresholds, screening criteria, and calculation methods for common land use types. Staff may either attach this memo to the Module 2 memorandum, or replace the Module 2 VMT Mitigation section with this text.

The content within this memorandum has been designed for internal staff informational purposes or to support a staff report to decision makers. Additional examples supporting the adoption of VMT policies, such as public oriented PowerPoints, staff reports, and resolutions are presented separately on [SB 743 Implementation webpage](https://abag.ca.gov/technical-assistance/vmt-policy-adoption-technical-assistance-sb743) of the MTC/ABAG’s Technical Assistance Portal. The memo can also be adapted or used as mitigation guidance for staff and developers to ensure consistency in VMT mitigation during project review.

The template provides text and instructions for jurisdiction specific information that you will need to fill in are provided in italicized text that should be removed from the final memo. The template is intentionally brief to supplement Module 2 memorandum. Note that the template includes the phrase "Our jurisdiction" that has been used universally and could be replaced globally with your jurisdiction’s name (e.g., The City of San Mateo can replace Our jurisdiction).

<<Insert City logo(s) here>>

# **Memorandum**

**To:**

**From:**

**Date:** [Pick the date]

**Subject:** **Senate Bill 743 Implementation - VMT Mitigation**

## Purpose

*Section instructions: The purpose section is not needed if the below text is copied into the Module 2 memorandum.*

The purpose of this memorandum is to provide information about the VMT mitigation options available to JURISDICTION. This memorandum is an addendum to the Module 2 memorandum **Senate Bill 743 Implementation - VMT Metrics, Thresholds, Screening Criteria, and Calculation Methods for Adoption**, which provides background about SB 743 and why local jurisdictions need to adopt SB 743 policies and outlines the options available to establish locally appropriate metrics, thresholds, screening criteria, and calculation methods for common land use types.

## VMT Mitigation

*Section instructions: Alameda, San Mateo, Santa Clara, Sonoma, and Napa counties have countywide VMT mitigation tools that incorporate state of the practice VMT mitigation approaches. Some counties have also adopted guidance on TDM program implementation, as shown in the brackets. If your jurisdiction is in these counties, keep the below highlighted language. For those counties without guidance, remove this language and leave the state resources.*

The final decision facing our jurisdiction is what VMT *mitigation measures* are appropriateto reduce VMT impacts to less-than-significant levels. VMT mitigation requires reducing the number and distance of vehicle trips generated by a particular project. This is in contrast to mitigation under congestion-based metrics such as LOS, whereby congestion impacts are mitigated through adding capacity; in some cases, these capacity improvements induce driving, and thus lead to more VMT being generated.

VMT impact mitigation strategies generally take the form of Transportation Demand Management (TDM) measures. TDM measures include strategies related to parking, transit usage, encouraging a mix of land uses on site, and promoting the use of active transportation and higher-occupancy vehicle models (e.g. carpooling and transit). TDM can be applied on a project-by-project basis, or on a community-scale as part of off-site mitigation through a city, county, or regional VMT mitigation program. Unless a program is established, most projects that result in VMT impacts would need to apply TDM strategies on a project-by-project basis.

Lead agencies must demonstrate the effectiveness of the selected mitigation strategies. For example, under congestion-based analyses, one could demonstrate the effectiveness of adding capacity by re-running the traffic operations model with the added capacity to determine the reduction in congestion after implementation of the improvement. The CAPCOA handbook (<https://www.caleemod.com/handbook/full_handbook.html>) represents the current state of the practice for California communities and developers to leverage in quantifying VMT reductions. Using the latest research, handbook authors outline different VMT mitigating measures and how to estimate their predicted effectiveness in one’s own jurisdiction.

Consistent with this guidance, COUNTY NAME has developed a tool that estimates the effectiveness on locally appropriate TDM strategies VMT [and provided guidance on TDM program implementation *(if applicable)*]. Statewide tools such as TDM+ (an excel based VMT mitigation calculator) and additional guidance on land use and transportation project mitigation are available from Caltrans (look under the “Tools” tab): <https://dot.ca.gov/programs/sustainability/sb-743/sb743-resources>.

TDM measures are more effective in contexts that are dense, mixed-use, transit-oriented, and have amenities that are accessible by walking and bicycling. Therefore, in more suburban contexts, it may not be feasible to reduce VMT to less-than-significant levels through on-site TDM measures alone. Given that VMT is regional in nature, the reduction of VMT through off-site measures may be a feasible strategy to reduce VMT to less-than-significant levels. City, county, or regional VMT mitigation programs could adopt AB 1600 compliant transportation impact fees, in-lieu fee programs, and mitigation exchanges or banks to fund VMT reducing projects and off-set project generated VMT. However, there are currently few local examples of VMT mitigation programs and they require support from attorneys and transportation and finance experts. MTC is currently investigating pilot programs that could be applied to other jurisdictions and several counties are investigating whether a countywide VMT mitigation program would be more appropriate. For more information on VMT mitigation fee programs, see the August 2022 UC Berkeley white paper: <https://www.law.berkeley.edu/wp-content/uploads/2022/08/Implementing-SB-743-August-2022.pdf>

As with any CEQA mitigation measure, TDM measures are subject to reporting and monitoring per Section 15097 of the CEQA guidelines. In general, if professional guidance and statewide or county tools are used to quantify the reduction, a lead agency may, for instance, require a report attesting to inclusion of all relevant TDM measures at the time of project occupancy, along with regular monitoring in which the project sponsor or property manager indicates continued operation of TDM programs.

### Staff Recommendations

*Section instructions: Fill in Table 1 to fulfill base instructions. Table 2 includes potentially helpful next steps can be removed if staff do not recommend additional actions at this time. Questions related to these next steps are best addressed through office hours or Module 4.*

**Table 1** below summarizes staff’s recommendations for the tools that development and transportation projects should use to mitigate VMT impacts. **Table 2** presents follow up actions related to policy and ordinance updates that staff recommend to support VMT mitigation.

#### **Table 1: VMT Mitigation Approach**

|  |  |  |  |
| --- | --- | --- | --- |
| **Project Type** | **Available Tools and Resources** | **Staff Recommended Tool** | **Rationale** |
| Land Use: Residential and Employment Uses | Countywide tool  Statewide tools (e.g., CAPCOA, TDM+) |  |  |
| Land Use: Other projects | Statewide tools (e.g., CAPCOA, TDM+) |  |  |
| Transportation projects: Capacity increasing (vehicle capacity reducing projects are generally screened out) | Caltrans guidance |  |  |

#### **Table 2: Additional Actions VMT Mitigation Policies and Ordinances**

|  |  |  |  |
| --- | --- | --- | --- |
| **Policy, Program or Ordinance Type** | **Relationship to VMT Mitigation** | **Staff Recommendation** | **If yes, identify responsible City department** |
| Provide programmatic guidance through one or more of the following:  A) Identify menu of locally appropriate TDM measures,  A) Adopt a local TDM ordinance, and/or  B) Participate in a countywide TDM program | Provides locally appropriate guidance on TDM implementation, monitoring, and adminstrative requirements |  |  |
| Update local parking standards | Reduced parking supply compared to traditional parking minimums can reduce VMT |  |  |
| Update or create a transportation impact fee based on VMT | LOS-based TIF programs may increase VMT, while VMT TIF programs could reduce VMT |  |  |
| Participate in a countywide or regional VMT mitigation fee program | Allows projects to fund off-site VMT-reducing improvements at a regional or countywide scale |  |  |
| Create a local VMT mitigation fee program | Allows projects to fund off-site VMT-reducing improvements at a city scale |  |  |