DATE: May 19, 2021

TO: Board of Supervisors

SUBJECT
UPDATE ON IMPLEMENTING VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND PROVIDE DIRECTION ON POSSIBLE UPDATES TO THE ANALYSIS OF TRANSPORTATION IMPACTS ON THE ENVIRONMENT (DISTRICTS: ALL)

OVERVIEW
In 2013, the State of California passed Senate Bill 743 (SB 743), which changed how jurisdictions, including the County of San Diego (County), analyze transportation impacts from privately and publicly initiated projects under the California Environmental Quality Act (CEQA). The CEQA analysis can no longer use level of service (LOS) when analyzing transportation impacts. LOS focuses on road congestion by measuring average amount of delay experienced by vehicle drivers at an intersection during the most congested time of day. SB 743 noted that while automobile delay explains how projects will affect drivers, it does not consider how projects and plans will change the number and length of driving trips and the corresponding effects on the environment. Therefore, instead of using LOS, SB 743 identified Vehicle Miles Traveled (VMT) as the standard to evaluate a project's environmental impacts. VMT measures the amount and distance people drive to destinations, and the number of trips specific types of land uses will generate. The stated legislative intent behind SB 743 was to balance the needs of congestion management (traffic) with statewide goals to reduce greenhouse gas (GHG) emissions, encourage infill development, and improve public health through more active transportation. All local jurisdictions were required to apply SB 743 no later than July 1, 2020.

On June 24, 2020, the Board of Supervisors (Board) adopted the Transportation Study Guide (TSG), a technical guide for analyzing transportation impacts using VMT. The TSG describes the process and procedures for project applicants and their consultants to use when preparing transportation analyses beginning July 1, 2020. The TSG also included a methodology referred to as Local Mobility Analysis (LMA) to meet the County’s General Plan requirement for an LOS D (which is considered a stable flow of traffic with an acceptable level of delay) or better and ensure the safe operations of the roadways for all users. In September 2020, Cleveland National Forest Foundation, Coastal Environmental Rights Foundation, and Sierra Club filed suit, alleging that the adoption of the TSG violated CEQA. The case is pending and no decision has been issued.
Today's request is for the Board to receive information on how VMT implementation is progressing nearly a year after its adoption and on Phase 2 efforts regarding VMT mitigation. In addition, the request is for the Board to provide direction on potential updates to the VMT thresholds used to evaluate the significance of a project’s transportation impacts, including options for using an unincorporated average, sub-areas average, or a regional average to measure existing average VMT, and the screening level threshold for “small” projects, which is currently 110 Average Daily Trips (ADT). The Board may opt to leave the existing TSG in place or direct staff to prepare revisions and return to the Board this summer, following public outreach and preparation of CEQA findings, for a final decision.

Because CEQA does not require a lead agency to adopt a threshold of significance for general use, the Board may also opt to suspend the TSG for projects in process and apply project-specific thresholds to evaluate the significance of each project’s transportation impacts pending preparation and adoption of revisions to the TSG. Alternatively, the Board may leave the current TSG in effect until revisions are adopted and allow projects in process to proceed under the thresholds of significance in the current TSG.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find in accordance with Sections 15061(b)(3) and 15378(b)(5) that today’s actions are exempt from the California Environmental Quality Act.

2. Receive the presentation and overview of Senate Bill 743 and provide direction on options to implement analysis of transportation impacts of proposed projects under CEQA using Vehicle Miles Traveled.

FISCAL IMPACT

There is no fiscal impact associated with these recommendations. There will be no change in net General Fund costs and no additional staff years. Vehicle miles traveled impact analysis and mitigations will be implemented through publicly- or privately- initiated projects as those projects are approved and funded. Private development costs will be paid for by the private sector through the entitlement process. Public project costs will be identified during project development and funded in future Operational Plans.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A
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BACKGROUND
In 2013, the State of California passed Senate Bill 743 (SB 743), which changes how jurisdictions, including the County of San Diego (County), are required to analyze transportation impacts from projects under the California Environmental Quality Act (CEQA). CEQA was enacted in 1970 in response to growing awareness that environmental impacts associated with proposed publicly and privately initiated projects should be disclosed to the public. The CEQA review process mandates that the public be provided with an objective analysis of immediate and long-range impacts of a proposed project on its surrounding physical environment and that decision-makers consider these impacts.

SB 743 required local jurisdictions to shift their transportation impact analysis from using traffic congestion or "level of service" (LOS) to Vehicle Miles Traveled (VMT) starting July 1, 2020. The intent was to balance the needs of congestion management with statewide goals to reduce greenhouse gas (GHG) emissions, encourage infill development, and improve public health through more active transportation.

Historically, transportation analysis under CEQA used automobile delay, or how long a driver sat in traffic or at a traffic signal – commonly measured by LOS – when analyzing transportation impacts. LOS assigns a letter grade to the flow of traffic on the road network based on the average amount of delay experienced by vehicle drivers at an intersection during the most congested time of day. The levels of service range from LOS A (fewer than ten seconds of delay) to LOS F (more than 80 seconds of delay). LOS D (35 to 55 seconds of delay) is considered acceptable. If a proposed project’s trips reduce LOS to E or below, then it is presumed to have a "significant" direct impact. With this system, a project had to mitigate for the impact by implementing an improvement to reduce traffic congestion such as widening a road, installing a turn lane, or adding a traffic signal.

Under SB 743, VMT must be used to analyze transportation impacts instead of LOS. VMT measures the number of vehicle trips generated from a project and the length or distance of those trips. For instance, if one vehicle drives ten miles from home to the grocery store, that trip generates ten VMT. If three cars each drive ten miles to the grocery store, then they collectively make 30 VMT. VMT is estimated using a traffic model and is generally expressed as VMT per capita for a typical weekday. Therefore, projects that are farther from jobs and commercial activities and in areas without transit or active transportation infrastructure (bike lanes, sidewalks, etc.) generate more driving than development near complementary land uses or areas with more robust transportation options.

Research shows that projects in rural and semi-rural areas across the State are more likely to have higher VMT transportation impacts because of two common conditions: longer distances between housing and jobs and lower availability of public transportation. Mitigating VMT impacts at the project-level can be done by either reducing the number of automobile trips generated by a project, or by reducing the distance that people drive. The primary strategies available to achieve this include modifying the project’s site design and built characteristics to reduce VMT generated by
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the project, or to implement various Transportation Demand Management (TDM) strategies as part of the project’s mitigation measures that reduce travel demand, and therefore VMT. These strategies were incorporated in the County’s adopted Transportation Study Guide (TSG), such as the California Air Pollution Control Officers Association Quantification Report and the San Diego Association of Governments (SANDAG) Mobility Management Guidebook/VMT Reduction Calculator Tool.

While reduction of VMT can help reduce a project’s GHG impacts and help the State reach its GHG reduction targets, as a CEQA metric it does not directly measure GHG or GHG reduction; it only measures vehicle trips and/or trip lengths associated with a specific project. This puts further emphasis on where a project is located within the County. As a result, fully mitigating for a project’s VMT can be challenging, particularly in an unincorporated or rural area. Public transportation is limited in unincorporated areas and electrification of vehicles does not resolve the length of trips and therefore cannot be used as mitigation for VMT.

SB 743 provided flexibility and did not require lead agencies to adopt local thresholds and guidelines, only that the agencies ensure CEQA documents are prepared and evaluate VMT. If an agency chooses not to adopt VMT guidelines, a project-specific threshold of significance for VMT impacts must be used for each project. The challenges with this approach include each project having to develop a project-specific VMT threshold to determine whether the project has a significant transportation impact. This approach can become confusing to the public if each specific project has a different threshold to evaluate VMT. The State allows lead agencies to provide guidance in the preparation of CEQA documents based on local characteristics and traffic patterns, which reduces confusion by adopting thresholds that apply to all projects and to ensure the thresholds reflect the local agencies environment. As with the County, many other jurisdictions have chosen to adopt local CEQA guidelines for this purpose.

The Governor's Office of Planning and Research (OPR) prepared a Technical Advisory document to assist local agencies when developing their own guidelines for the assessment of VMT, thresholds of significance, and mitigation measures. OPR was explicit that “lead agencies have discretion to develop and adopt their own, or rely on thresholds recommended by other agencies, provided the decision of the lead agency to adopt such thresholds is supported by substantial evidence.” The OPR Technical Advisory document is intended to provide advice and recommendations and does not alter lead agency discretion in preparing environmental documents subject to CEQA.

The OPR Technical Advisory also specifically mentioned, that in rural areas of non-metropolitan planning organization (MPO) counties (i.e., areas not near established or incorporated cities or towns), fewer options may be available for reducing VMT, and significance thresholds may be best determined on a case-by-case basis. However, OPR also indicated that clustered small towns and small-town main streets may have substantial VMT benefits compared to isolated rural development, similar to the transit-oriented development. (Attachment A OPR Technical Advisory).
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A working group was established with staff from the Departments of Planning & Development Services (PDS), Public Works, Parks and Recreation, and County Counsel, and consultants from MBI, Fehr & Peers, and Chen Ryan Associates. The working group developed and evaluated options available to the County when it transitioned from using LOS to VMT for transportation impact analysis. The consultants have experience in implementing SB 743 throughout the State. This working group identified elements of the OPR Technical Advisory Report that apply to the County or that could be refined based on the County's geography and diverse communities. County staff also conducted a review of available best practices and various publications and studies.

On June 24, 2020 (6), the Board adopted the TSG technical guidance document which is consistent with OPR’s recommendations for project-level review. The County used the SANDAG Travel Demand Model as its primary data source for VMT analysis. Although there are different ways and tools to analyze VMT, such as travel survey data, statewide models, etc., the SANDAG model is the most robust regional tool and is used by other jurisdictions in the region. However, there are limitations to the model on a regional scale, particularly in its ability to provide finer more granular data sources. For example, in areas that are largely undeveloped, the model does not have enough data to determine the average VMT. In such cases lead agencies may use discretion supported by substantial evidence for analyzing VMT.

At the time there were four policy decisions relative to the TSG that required Board direction to comply with SB 743 and implement VMT as the methodology for CEQA transportation analysis for projects in the unincorporated County: (1) defining at what level transportation impacts from a proposed project would be presumed to have a significant impact on the environment (Significance Threshold), (2) defining a geographic boundary to determine the average VMT to which to compare a proposed project’s VMT, (3) establishing project screening criteria for projects that do not have to conduct a VMT analysis, and (4) establishing a Local Mobility Analysis (LMA).

If the Board had not adopted the TSG, or any component intended to implement SB 743, the County would still be required to implement VMT analysis and would do so on a project-by-project basis. Items previously presented for Board’s consideration on June 24, 2020 (6), for SB 743 implementation are listed below and are summarized in Table 4.

1. Defining the Level of Significant Impact (Significance Threshold)
   There is no specific threshold established in SB 743. The County had to define at what level transportation impacts from a proposed project would have a significant impact on the environment (Significance Threshold). A Significance Threshold may be adopted for general use or may be project specific. Individual jurisdictions can set their own thresholds but must provide substantial evidence of why it was selected. Although no threshold is stated in the law, in its guidance, OPR recommends that projects that generate a VMT, which is at least 15% below the average VMT in the surrounding area, be considered to have a less than significant impact on the environment, and therefore they would not be required to prepare further VMT analysis. In other words, areas that are 15% below the Average VMT would be considered VMT efficient. Conversely, a project generating VMT above this threshold is considered to have a significant impact and would be required to prepare further VMT analysis and identify
measures to reduce those impacts. This threshold was intended to achieve general consistency with both the Caltrans statewide target for VMT reduction (15% by 2020) and the urban regional targets for GHG emissions reductions established under SB 375 in 2008 (13-16% for passenger vehicles by 2035).

Areas that are close to employment and service centers and are provided with transit facilities would have a lower amount of VMT. If the amount of VMT in these areas is at least 15% below the average, they would be considered VMT efficient. General Plan compliant projects proposed in VMT efficient areas would not be required to prepare further VMT analysis, regardless of their size. The size and location of VMT efficient areas vary based on the Significance Threshold chosen by a jurisdiction.

Several jurisdictions, such as the counties of San Bernardino, Riverside, Nevada, and Fresno, have chosen thresholds less than 15% below their regional averages. Staff analyzed proposed geographic areas with the threshold set to 5% and 10% and concluded that the changes to the VMT efficient areas compared to 15% were minimal. Reducing the significance threshold to less than 15% did not warrant a change when balanced with the County’s General Plan and Climate Action Plan goals. However, given much of the unincorporated County’s distance from job centers, and the relative scarcity of transit, a reduction target of 15% below the average VMT will be challenging to achieve and mitigate.

On June 24, 2020 (6), the Board adopted the 15% threshold as recommended by OPR.

2. Setting a Geographic Boundary to Calculate Average VMT (unincorporated average vs a regional average vs a sub-regional average)

Every new plan or project must be evaluated against a baseline or average VMT to determine whether VMT impacts are significant. OPR recommends using the existing VMT of the surrounding region or city to establish a baseline for comparison, although OPR did not define a “region”. Of the 58 counties in the State, sixteen adopted their own VMT guidelines and eight used the unincorporated county as their geographic boundary to calculate the average VMT. A few unincorporated counties used the regional area of their local councils of government (COGs) planning area or metropolitan planning area. The remaining jurisdictions have not adopted their own specific thresholds, with some recommending the use of the OPR guidance, and others leaving it to each project on a case-by-case basis to determine significance thresholds for VMT. Other jurisdictions used custom geographies equal to the size of their jurisdictional boundary or subareas to reflect the unique character of their community.

Average daily VMT is calculated using the total VMT generated in an area divided by the population of that area. Both numbers require a geographic boundary to define the extent of the data to include. Based on the boundary chosen, the average VMT will vary. On June 24, 2020 (6), the Board was presented three options to calculate the average VMT: 1) based on the regional area, 2) the unincorporated area, and 3) subareas within the unincorporated area, and adopted the unincorporated area option.
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Option A: San Diego Region (including incorporated cities)
This option would use the entire SANDAG region average VMT, rather than the unincorporated area average VMT, to determine the significance of a project’s VMT impacts. When using the SANDAG region as a geographic area, the number and length of vehicle trips that start and end within the cities are considered when determining the average VMT for the unincorporated area. This has the effect of lowering the average VMT for the unincorporated area to 21.85 miles. This option has the lowest average VMT for the unincorporated area and provides 2,467 acres, or .34% of the unincorporated County land use jurisdiction as VMT efficient areas. Approximately 99.7% of the unincorporated County is in VMT inefficient areas with the region as the geographic area. This equates to approximately 1,087 potential General Plan dwelling units in VMT efficient areas that would be considered to have a less than significant impact on the environment.

Option B: Unincorporated Area of San Diego County (excluding incorporated cities)
This option would use the average VMT in the unincorporated area only to determine the significance of a proposed project’s VMT impacts. Unlike Option A, this option does not include the shorter, more frequent trips that start and end within the cities. Rather, Option B includes vehicle trips that start and end in the unincorporated area, as well as trips from the unincorporated area to employment and job centers in the cities, and vice versa. This approach has the effect of increasing the VMT average for the unincorporated area to 32.54 miles. A higher VMT average results in 45,444 acres, or 6.2% of the unincorporated County land use jurisdiction as VMT efficient areas. Approximately 93.8% of the unincorporated County is in VMT inefficient areas with the unincorporated geographic area. This equates to approximately 18,804 potential General Plan dwelling units in VMT efficient areas that would be considered to have a less than significant impact on the environment.

Option C: Unincorporated Area of San Diego County Divided into Subareas
Geographic boundaries based on subareas within the unincorporated county combines unincorporated communities with similar trip lengths and destinations together. This approach would compare a proposed project's VMT with the average VMT within its surrounding community rather than the average VMT in the San Diego region or the entire unincorporated area. For example, a project in Borrego Springs would be compared against other Desert or Mountain Empire communities, not the cities in the region or unincorporated communities in other areas of the region.

The average VMT using subareas within the unincorporated county varies based on the subarea and range from 29.79 to 64.43 miles. This option locates 74,049 acres, or 10.1% of the unincorporated area in VMT efficient areas. Approximately, 17,675 potential General Plan dwelling units would have a less than significant impact and would not require a VMT analysis. This option is similar to Option B when compared to a geography based on the San Diego region. However, in contrast to Option B, this option does not locate more VMT efficient areas in villages along the western edge of the unincorporated area. It uniformly distributes VMT efficient areas across all unincorporated villages.
Like Option B, jurisdictions using this approach are predominantly unincorporated rural
communities with dispersed development and minimal access to transit. This option focuses
development in village cores by locating VMT efficient areas throughout the unincorporated
county.

On June 24, 2020 (6), the Board selected Option B, Unincorporated County, as the geographic
boundary to determine the average VMT. Option B placed a majority of VMT efficient areas
along the western edge of the unincorporated county closer to employment and services centers
in the cities, and closer to transit services and was also consistent with the General Plan
Housing Element Smart Growth Opportunity Areas, SANDAG Regional Housing Needs
Allocation (RHNA) for the unincorporated area, and Climate Action Plan (CAP) strategies by
placing VMT efficient areas closer to employment and services and in areas that could be
provided with transit in the future. (Attachments D VMT Efficiency Area Maps Geographic
Options)

Table 1: Housing Analysis

<table>
<thead>
<tr>
<th>Geography</th>
<th>Size of VMT Efficient Areas</th>
<th>% of Total Dwelling Unit Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acreage</td>
<td>% of Unincorporated County</td>
</tr>
<tr>
<td>Regional Average</td>
<td>2,467</td>
<td>0.34%</td>
</tr>
<tr>
<td>Unincorporated Average</td>
<td>45,444</td>
<td>6.2%</td>
</tr>
<tr>
<td>Subareas</td>
<td>74,049</td>
<td>10.1%</td>
</tr>
</tbody>
</table>
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Table 2: Housing within VMT Efficient areas by Supervisorial District

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Average</td>
<td>118</td>
<td>225</td>
<td>0</td>
<td>0</td>
<td>735</td>
</tr>
<tr>
<td>Unincorporated Average</td>
<td>570</td>
<td>6,199</td>
<td>1,296</td>
<td>0</td>
<td>10,739</td>
</tr>
<tr>
<td>Subareas</td>
<td>256</td>
<td>5,393</td>
<td>1,983</td>
<td>0</td>
<td>11,771</td>
</tr>
</tbody>
</table>

3. Establishing Criteria for Which Projects Must Conduct a VMT Analysis (screening threshold)

This item identifies "screening thresholds" to indicate when a proposed project must prepare a VMT analysis. OPR recommends that a project be presumed to have a significant impact that requires VMT analysis if it generates more than 110 average daily trips (ADT). Projects generating less than 110 average daily trips are presumed to cause a less than significant transportation impact and are not required to prepare a VMT analysis. This equates to a single-family subdivision of 10 units or less. Also, projects including residential, retail, office projects, and mixed uses that are proposed within ½ mile of an existing major transit stop will have a less than significant impact on VMT. One transit station is located within the unincorporated county area, the Buena Creek Sprinter station in Vista. Projects proposing to construct 100% affordable housing in infill locations are also presumed "less than significant" and therefore do not require VMT analysis. Additionally, as mentioned above, projects in VMT efficient areas would not require further analysis.

As discussed above, projects could be presumed to have less than significant transportation impacts if they generate VMT that is at least 15% below the average VMT in the area or are located within VMT efficient areas. Also, projects or plans with specific characteristics that are known to result in negligible or no increase in VMT could be presumed to have a less than significant transportation impact on the environment. In addition to projects being located in VMT efficient areas and “small” project size, OPR provides other screening criteria for local jurisdictions to consider, such as:

- Projects that are locally serving retail uses
- Projects that are locally serving public facilities (like parks, libraries, etc.)
- Commercial projects with less than 50,000 square feet
- 100% affordable housing projects
- Projects located in Transit Priority areas, which are generally a half-mile from public transit services

In addition, the OPR Technical Advisory states that "projects that generate or attract fewer
less than 110 trips per day generally may be assumed to cause a less than significant impact." OPR supported this statement by including that CEQA provides a categorical exemption for existing facilities, including additions to existing structures of up to 10,000 square feet. Based on the Institute of Transportation Engineers (ITE) Trip Generation Manual (9th Edition, 2012), a 10,000 square-foot office would generate 110 daily trips. OPR concluded that small projects that generate 110 daily trips or less would have a less than significant VMT impact.

SANDAG also provides trip generation rates in their "(Not So) Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, 2002". The SANDAG rate for a 10,000-square-foot office is 200 daily trips. Therefore, an alternative in the SANDAG region to defining a small project as 110 or fewer daily trips would be to define a small project as 200 or fewer daily trips. Considerations for use of 110 daily trips versus 200 daily trips:

- **110 Daily Trips:**
  - The ITE Trip Generation Manual is based on data collected throughout the United States and updated every 3-5 years.
  - Consistent with OPR guidance.

- **200 Daily Trips:**
  - Based on data collected throughout the SANDAG region only. The SANDAG data was published in 2002 and has not been updated since.
  - Jurisdictions within the SANDAG region commonly use the SANDAG trip generation rates in transportation studies.
  - Follows the same process that OPR used to determine the 110 trips, just uses a different data source for the trip generation rate. Assertion that a 10,000 square-foot office is a small project is a constant in both calculations.

Some examples of what other local jurisdictions used for project size screening within the region; the cities of Chula Vista and Escondido defined a small project as 200 or fewer ADT; the City of San Diego has their own trip generation guide and established 300 daily trips as the threshold; the cities of Oceanside and Santee use 500 or 1,000 daily trips, depending on whether the project is consistent with the General Plan; and the City of Carlsbad adopted OPR’s recommended 110 daily trips.

County staff have conducted a preliminary analysis, for informational purposes, of additional project screening options not previously presented to the Board on June 24, 2020. The following table outlines screening options previously presented to the Board in June 2020, as well as new options for the Board’s potential consideration:
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Table 3: Small Project Screening Options

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Description</th>
<th>Considered at 2020 Board Hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>110 ADT OPR's recommended Categorical Exemption ADT based on ITE (9th Edition) trip rates</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>200 ADT OPR's recommended Categorical Exemption ADT based on SANDAG trip rates</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>76 ADT Urban trip length conversion using California Household Survey 2012 data</td>
<td>No</td>
</tr>
<tr>
<td>4</td>
<td>38 ADT Minor Subdivision (Four units or less)</td>
<td>No</td>
</tr>
<tr>
<td>5</td>
<td>0 ADT Removal of small project screening</td>
<td>No</td>
</tr>
</tbody>
</table>

On June 24, 2020 (6), the Board adopted the definition of a small project screened from further VMT analysis as one generating fewer than 110 ADTs (Option A).

4. Establishing a Local Mobility Analysis Chapter in the TSG

The fourth item for the Board’s consideration on June 24, 2020 (6) involved establishing a Local Mobility Analysis (LMA) in the TSG to meet a County General Plan requirement for a LOS D (stable flow of traffic) or higher on all Mobility Element roads. Although the LMA would not be part of the CEQA analysis, it provides a methodology to identify deficiencies and impacts to road operations and safety caused by a project, and to ensure adequate transportation infrastructure improvements (widening of a road, traffic signals, etc.) to maintain LOS D with the addition of new projects. While this level of analysis may not affect the environment, it does affect the community in which the project is proposed.

On June 24, 2020 (6), the Board adopted the LMA requirement as part of the TSG.

Table 4 summarizes these four policy decisions relative to the TSG that required Board direction to comply with SB 743 and implement VMT as the methodology for CEQA transportation analysis for projects in the unincorporated County.
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Table 4: VMT Methodology and Thresholds Options

<table>
<thead>
<tr>
<th>#</th>
<th>TSG Components</th>
<th>Options and/or Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Significance Threshold</td>
<td>Option A: Establish a Significance Threshold of 15% below the average VMT based on a geographic boundary chosen in decision point 2. (Board selected, OPR recommended the threshold of 15% below the average VMT)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Option B: Establish a Significance Threshold of less than 15% below the average VMT based on a geographic boundary chosen in decision point 2. (Not selected)</td>
</tr>
<tr>
<td>2</td>
<td>Geographic Boundary</td>
<td>Option A: Use the San Diego region (incorporated cities and unincorporated county) to establish average VMT (Not selected)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Option B: Use unincorporated county only to establish average VMT (Board selection)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Option C: Create subregions within the unincorporated county to establish average VMTs (Not selected)</td>
</tr>
<tr>
<td>3</td>
<td>Project Analysis Screening Criteria</td>
<td>Option A: Exclude projects with less than 110 daily vehicle trips (OPR recommendation and Board directed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Option B: Exclude projects with less than 200 daily vehicle trips, based on SANDAG trip-generation rates for the addition of 10,000 square feet. (Not selected)</td>
</tr>
<tr>
<td>4</td>
<td>Local Mobility Analysis (LMA)</td>
<td>Establish the LMA section of the Transportation Study Guide (TSG) component to analyze LOS and ensure consistency with the County's General Plan Goals and Policies (This item was not needed to implement SB 743 but was Board directed)</td>
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</table>
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PROJECT ANALYSIS
As of March 2021, PDS is processing 123 discretionary projects that are subject to the adopted TSG. Of the 123 projects, 20 are relying on the VMT efficient area screening criteria based on the adopted unincorporated average: 17 residential projects, one mixed-use project, and two employment/industrial projects. Currently there is one residential project that is located in a VMT efficient area when using the SANDAG regional average. Changes to the geography threshold will impact in-process projects that are currently relying on the unincorporated average.

Of the 123 discretionary projects in process, 55 are relying on the adopted small project threshold of 110 ADT: 29 residential projects, ten wineries/tasting rooms, seven renewable energy projects, four special event facilities, and three mines, and two employment projects. Changes to the small project screening criteria will impact in-process projects that are currently relying on the 110 ADT.

The Board could provide direction to allow in-process projects to continue to use the unincorporated average and 110 ADT small project thresholds should the Board adopt new guidelines, if substantial evidence supports the determination that compliance with the current threshold demonstrates that those projects’ impacts would not be significant.

Relationship of VMT to Other County Plans, Programs and Policies
SB 743 assesses transportation impacts of future development, under CEQA, in terms of VMT, not GHG. There is no ultimate target for the amount of VMT to reduce in SB 743. The TSG, CAP, General Plan Elements update, and regional and statewide GHG reduction efforts are required for different purposes and measured in different ways; however, they can be mutually supportive. SB 743 is not accounted for in the California Air Resources Board (CARB) and State Climate Goals, and also is not integrally necessary to SB 375, SANDAG’s Sustainable Communities Strategy, or SANDAG’s Regional Transportation Plan. The goal of these other plans is GHG reductions in support of statewide goals. The goal of SB 743 is to balance congestion management with State goals for infill development, active transportation, and GHG reductions. However, SB 743 can significantly alter development choices to indirectly support SB 375 implementation and reduce VMT supporting State and regional objectives for efficient transportation and land use.

Climate Action Plan (CAP)
The County is working on a CAP Update that will reduce GHG emissions in the unincorporated county and from County operations. Although the 2018 CAP was rescinded, the County continues to implement measures that reduce GHGs as part of sustainability efforts. In the inventory used for the 2018 CAP, light duty vehicle emissions constituted approximately 43% of the total unincorporated GHG emissions. The 2018 CAP Strategies T-1 and T-2 focused on reducing VMT and shifting towards alternative modes of transportation, focusing density in unincorporated villages, conserving open space and agricultural lands, and implementing infrastructure improvements to provide for active transportation. The 2018 CAP also contained two Measures T-2.2 and T-2.4 that focused on reducing VMT associated with employee commute and are projected to reduce 9,653 metric tons of GHG by 2030. The County adopted an Active Transportation Plan (ATP) in 2018 to reduce GHGs by increasing active transportation (e.g.,
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walking and biking) throughout the County. SB 743 supports the CAP and ATP by requiring VMT mitigations when private development projects are required to comply with the California Environmental Quality Act. These mitigations may include pedestrian, bicycle, and transit infrastructure improvements that also reduce GHG and improve public health through more active transportation.

SANDAG develops the Regional Housing Needs Assessment (RHNA), mandated by state law, that quantifies the need for housing and informs land use planning in addressing identified existing and future housing needs resulting from population, employment, and household growth. The RHNA Plan allocates housing units within the region in a manner consistent with the development pattern included in SANDAG’s Sustainable Communities Strategy (SCS) which prioritizes the reduction of VMT and GHG emissions. The current RHNA (Cycle 6 - 2021-2029) allocation to the unincorporated county is 6,700 housing units.

Transportation Impact Fee
The County's Transportation Impact Fee (TIF) program was developed to mitigate cumulative traffic LOS impacts under the California Environmental Quality Act (CEQA). After July 1, 2020, projects with an impact on LOS can be conditioned to address any direct impacts through the Local Mobility Analysis; however, projects using VMT analysis under CEQA can no longer be required to pay the existing TIF because the program and nexus study to establish it was based on mitigations to address LOS impacts under CEQA. Accordingly, as part of its action on June 24, 2020 (6), the Board suspended collection of the local TIF for projects with CEQA documents circulated for public review after July 1, 2020. However, a portion of the fee known as the RTCIP Fee will continue to be collected for Regional Arterial System (RAS) roads as designated in the SANDAG Regional Transportation Plan (RTP) and as required by the TransNet Extension Ordinance.

Phase 2 SB 743 Long-term Implementation
The adoption of the TSG, based on the options outlined above for evaluation of VMT impacts of proposed projects, was considered “Phase 1” of the implementation of SB 743 in the County jurisdiction. Phase 2 will evaluate options for mitigation measures necessary to address impacts identified in the VMT analysis. This includes exploring regional mitigation banks, mitigation exchanges, and impact fees. It also includes an analysis of the impact of SB 743 on the County's Transportation Impact Fee (TIF) program and the requirement for a LOS D or higher found in Policy M-2.1 of the County General Plan.

As part of this Phase 2 effort, County staff is developing programmatic VMT mitigation options. These options provide information to understand the differences, costs and fee amounts of various VMT mitigation programs. These VMT programs can be established within the unincorporated area or the region. For example, the mitigation cost for one VMT through an unincorporated County only VMT fee program would be $19,000. In order to fully mitigate, the project would need to be charged for every VMT over the threshold. If a project was 1,000 VMT over the threshold, the total fee cost would be $19,000 x 1,000 VMT = $19 million. These
hypothesical cost assumptions and case studies are provided as Attachment C of this Board letter. Phase 2 options will be brought back to the Board for consideration at the end of 2021.

Public Input

As part of the development of the options that were presented to the Board in June 2020 to implement California Senate Bill 743 (SB 743), PDS staff held meetings with and sought input from the Planning Commission, the Community Planning & Sponsor Groups, community groups, and non-governmental organizations.

Staff prepared materials for presentation at two Planning Commission hearings: an introductory presentation at the April 3, 2020 hearing, and a presentation of implementation options at the May 15, 2020 hearing. Planning Commissioners asked clarifying questions related to vehicle miles traveled (VMT), State greenhouse gas (GHG) emissions reduction goals, SANDAG modeling and transportation efforts, impacts to the County of San Diego (County) Transportation Impact Fee (TIF) program, and mitigation banks.

Staff offered to present at all Community Planning and Sponsors Group (CP/SG) meetings, and six accepted the offer: Borrego Springs, Hidden Meadows, Jamul/Dulzura, Twin Oaks Valley, Valle de Oro, and Valley Center. At these presentations, CP/SG members and the public discussed how the new VMT analysis would affect project applications and review; the relative difficulty of mitigating VMT impacts in rural and semi-rural settings, including the lack of transit; the importance of having a mechanism to make local transportation improvements; the complexity and reliability of the SANDAG model; the potential effect of the VMT efficiency map designations on existing land use patterns and development; the alignment (or misalignment) of SB 743 with the State’s GHG goals; and the continued need for evaluating traffic congestion and safety.

Additionally, presentations were offered to environmental groups and land development industry groups. Environmental groups focused on the implementation of SB 743; achieving the highest possible GHG reductions; using a geographic area based on the San Diego region; limiting screening criteria; and General Plan Amendments (GPA). Environmental groups also requested additional data and analysis that support staff recommendations. The land development building industry focused on the logistics of preparing VMT analyses; how VMT analyses combine with the proposed LMA; the differences between the geographic areas; and the timing of Phase 2 efforts. The land development industry requested to see more detail on the Phase 2 items (especially the TIF options) as soon as possible.

PDS convened two public webinars online to gain input on the options to implement SB 743. The webinars were held on May 6 and May 20, 2020. The purpose of the webinars was to educate and receive comments from the public about current and potential strategies to reduce VMT. The public was provided email and phone number information to submit questions ahead of the webinar and to participate by phone rather than the internet. The 1.5-hour format for each webinar included an overview presentation, a question-and-answer session, and a discussion of the next
steps. PDS staff posted recordings of the webinars, along with the associated presentation slides, to the project website.

In advance of the May 19, 2021 update to the Board, PDS staff met with stakeholders and presented to community-based organizations, including the Land Development Technical Working Group, Building Industry Association, San Diego Association of Realtors, San Diego Regional Chamber of Commerce, VMT Quality of Life Coalition, Farm Bureau, Realtors and Otay Property Owners, Climate Action Plan Campaign, Southwest Regional Council of Carpenters, KB Homes, Sierra Club San Diego, Infrastructure and Housing Committee, Cleveland National Forest, San Diego Chamber Transportation & Land Development Committee, and environmental groups including the Endangered Habitats League, Wildlife Habitat Coalition, and Nature Conservancy. PDS staff also held a public meeting on April 22, 2021 to solicit feedback on the guidelines and potential options for the Board’s consideration, and to inform them of the May 19, 2021 Board of Supervisors meeting. Public comments on the County’s implementation options for VMT were primarily focused on the implications and costs for development and housing, and the relationship of VMT to GHG reductions and helping the region and state meet its climate action goals. Other groups, such as the Farm Bureau, expressed concerns about the impacts on VMT to their particular industries.

ENVIRONMENTAL STATEMENT
The Board of Supervisor’s (Board) actions related to options for a future update to the Transportation Study Guide (TSG) is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) and 15378(b)(5) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that today’s actions may have a significant effect on the environment. The purpose of this hearing is to receive additional direction from the Board. After direction is received at today’s hearing, staff will review and prepare proposed changes, conduct public outreach and perform any necessary corresponding environmental review. Today’s discussions are only to receive input and direction on options. The direction received today will not result in any direct or indirect changes to the environment, and any future Board actions as a result will be subject to review as and to the extent required by CEQA.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN
Today's actions support the Operational Excellence Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan by pursuing policy and program changes to impact residents positively. Today's proposed action also supports the Sustainable Environments/Thriving Strategic Initiative by providing and promoting services that increase the well-being of residents and protect the environment by reducing greenhouse gas emissions and other pollutants from cars.
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Respectfully submitted,

[Signature]

SARAH E. AGHASSI
Deputy Chief Administrative Officer

ATTACHMENT(S)
Due to the size of the attachments, the documents are available online through the Clerk of the Board’s website at www.sandiegocounty.gov/content/sdc/cob/bosa.html.

Attachment A  Office of Planning and Research (OPR) Technical Advisory
Attachment B  Adopted Transportation Study Guide (TSG)
Attachment C  Hypothetical Cost Assumptions Case Study
Attachment D  VMT Efficiency Area Maps Geographic Options
Attachment E  Benchmarking Summary Table
Attachment F  VMT Basics Fact Sheet
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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:
August 3, 2011 (1), Comprehensive update of the General Plan; Certification of Final Environmental Impact Report; an Ordinance Changing Zoning Classification of Certain Property; an Ordinance Amending the Zoning Ordinance related to Conservation Subdivisions; and an Ordinance Amending the Subdivision Ordinance, Resource Protection Ordinance, and Groundwater Ordinance related to the General Plan update; February 14, 2018 (1), County of San Diego Climate Action Plan; October 31, 2018 (1), County of San Diego Active Transportation Plan; June 24, 2020 (6), Options to Comply with Senate Bill 743 and Implementing Vehicle Miles Traveled in Local Planning and Environmental Review

BOARD POLICIES APPLICABLE:
N/A

BOARD POLICY STATEMENTS:
N/A

MANDATORY COMPLIANCE:
N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):
N/A

ORIGINATING DEPARTMENT: Planning & Development Services

OTHER CONCURRENCE(S): Department of Public Works
Department of Parks and Recreation

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