

STAFF REPORT

City Council Business Agenda Item

DATE: June 6, 2022

TO: Honorable Mayor and Council Members

FROM: Brendan Byrd, Public Works Director/City Engineer

THROUGH: Merritt Perry, City Manager

SUBJECT: Supplemental Budget Request to Develop a Baseline Determination for Vehicle Miles Travelled (VMT) Pursuant to SB 743

STAFF RECOMMENDATION:

Receive staff presentation and recommendation to approve a supplemental budget request to develop a baseline determination for Vehicle Miles Travelled pursuant to SB 743.

EXECUTIVE SUMMARY:

Senate Bill (SB) 743 was signed into law in 2013, with the intent to better align California Environmental Quality Act (CEQA) practices with statewide sustainability goals related to efficient land use, greater multi-modal transportation choices, and greenhouse gas (GHG) reductions. The bill came into effect in July 2020.

SB 743 fundamentally changes the way the City as a local agency can assess land use and transportation projects under CEQA. Specifically, it eliminates vehicular congestion, which the City expresses as Level of Service (LOS), as the operative metric for identifying transportation impacts. In its place, SB 743 identifies Vehicle Miles Traveled (VMT) as the key impact criterion under CEQA. VMT measures the number and length of trips on a typical daily per capita basis. VMT is a useful indicator of overall land use and transportation efficiency, where the most efficient system is one that minimizes VMT by encouraging shorter vehicle trip lengths, more walking and biking, or increasing the use of carpooling and transit. Reducing per capita VMT will reduce per capita emissions, including GHG, in line with State Air Quality and Climate Change goals.

To provide an example of how this method shift may impact a project, a development project that is found to increase per capita VMT above the threshold amount would be required to mitigate for the impacts, consistent with regular CEQA conventions. To mitigate for an increase to VMT, a project may propose to install bike lanes, perform sidewalk infill, implement an employee car share program, or build or provide access for trails, all of which on the whole would work to offset the VMT increase within the Fortuna City limits.

Despite the statewide shift to VMT under CEQA, the City would still look to assess projects for impacts to LOS (congestion). Under SB 743, the City can retain performance standards that

address congestion, safety, and traffic flow as part of the City's General Plan, which staff plan to do.

As this is new legislation, the City currently does not have baseline VMT values or impact thresholds, and therefore all projects subject to CEQA would be required to develop an entire VMT analysis for each project. In an effort to streamline and economize the development and CEQA review process, staff propose creating and implementing Fortuna-specific VMT baseline values and significance thresholds, which is allowable under SB 743. By developing standard baselines and thresholds, staff can more easily and uniformly assess the impacts of proposed projects, and this portion of the environmental review process should be less costly for developers.

To complete the work to develop a VMT baseline, methodology, and impact thresholds, staff solicited for a scope and fee from GHD. GHD is uniquely qualified to complete this effort, given they are the engineering consultant currently engaged in most major planning and transportation related City projects, in addition to being the City's regular on-call traffic engineer. GHD's scope to complete this report is included as Attachment A.

If this SBR is approved staff will look to execute a task order with GHD under the on-call contract to complete the work.

FINANCIAL IMPACT:

As shown in GHD's draft fee schedule in Exhibit A, the estimated cost to complete a work is \$22,500 (not to exceed). Staff propose allocating funds from Fund 140, the City's Traffic Impact Fee, to cover the cost to develop baseline VMT deliverables and ordinance. A draft of the SBR is included as Attachment B. Fund 140 currently has a balance of approximately \$300,000, including active encumbrances.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Approve a supplemental budget request in the amount of \$22,500 to develop a baseline determination for Vehicle Miles Travelled pursuant to SB 743.

ATTACHMENTS:

- Attachment A – GHD Scope of Services and Fee
- Attachment B – Draft Supplemental Budget Request

Exhibit A

Scope of Work Baseline Vehicle Miles Travelled (VMT) for SB 743

A. Additional Services to be Performed:

As discussed with the City of Fortuna, GHD has developed the following cost proposal for the following services. As a means of addressing the requirements for SB 743, GHD will develop baseline vehicle miles travelled (VMT) averages documenting the VMT methodology, models and data utilized, and the geographic areas considered for determining the appropriate baseline VMT metric. VMT refers to the amount and distance of automobile travel attributable to a project. GHD will develop VMT significance criteria based on the baseline metrics and VMT guidance for the City to utilize, in a consistent manner, for updates to the General Plan and for future land use projects.

Task 1: VMT Baseline Determination & Citywide SB 743 Implementation

SB 743 allows lead agencies the discretion to choose the methodology for determining a threshold of significance including three aspects: (1) area of analysis; (2) whether and how much a reduction is needed; and (3) analytical tool to be used in this analysis. Section 21099 of the Public Resources Code also states that the criteria for determining the significance of transportation impacts must promote: (1) reduction of greenhouse gas emissions; (2) development of multimodal transportation networks; and (3) a diversity of land uses. The Governor's Office of Planning and Research (OPR) has provided guidance and recommendations on VMT analysis, methodology, screening criteria, and significance thresholds in their *Technical Advisory on Evaluating Transportation Impacts in CEQA* (December 2018). GHD anticipates utilizing CEQA and OPR guidance for determining the methodology, screening criteria, and significance thresholds for application in the City of Fortuna.

Task 1.1: Model Choice & Methodology

GHD has included ongoing project management including check-in meetings in this scope amendment. Regular check-in meetings specifically related to the VMT baseline determination and guidelines work will be critical for the team to discuss progress and maintain schedule so the VMT guidance can be adopted by the City. This task includes internal and external coordination and task management, and regular project meetings.

For determining the baseline VMT metrics, the analytical tools and methodologies are first identified. Travel demand models can provide a defensible and straightforward way to evaluate existing levels of VMT. For the City of Fortuna, there are two options for travel models: the California Statewide Travel Demand Model and the Humboldt County Regional Travel Demand Model (HCTDM), maintained by Caltrans District 1. GHD proposes utilizing the

HCTDM as the network and model structure is more refined in the City of Fortuna than the Statewide model and should provide more accurate VMT results. The HCTM is a trip-based model which can be utilized to assess trip-based VMT metrics for residential, office, and retail uses.

The OPR Technical Advisory states that “VMT estimation should not be truncated at a modeling or jurisdictional boundary for convenience of analysis when travel behavior is substantially affected beyond that boundary”. GHD proposes to utilize big data source Replica, which utilizes US Census Data and location-based-services, to evaluate trip lengths outside of the HCTDM area (County boundary) and adjust the model’s external links as necessary to account for the full length of trips outside of the County boundary.

GHD will work with the City to identify the various baseline VMT efficiency metrics that are applicable for the City, i.e., residential VMT per capita, employee VMT per job. These baseline VMT metrics will then be the basis for determination of the City’s reduction targets and significance thresholds.

Geographic Choices for Baseline

GHD will identify and analyze options for geographic areas that might serve as a baseline to which Fortuna’s average VMT metrics will be compared. Based on this analysis, GHD will recommend to the City an appropriate geographic area for determining the VMT baseline metrics.

Percent Reduction Target

CARB has concluded that average per-capita VMT will need to be reduced by 15% to meet the State’s greenhouse gas reduction goals. However, this state-wide average may not be appropriate for all jurisdictions, and CARB has set higher targets in some MPO areas and lower targets in others. Since Fortuna is not located within an MPO area, no specific target has been set for Fortuna. GHD will recommend to the City an appropriate percent reduction target for determining significance thresholds that is supported by substantial evidence. GHD proposes to review current local Climate Action Plans to see if an applicable threshold can be deduced.

Task 1.2: Interim SB 743 Ordinance

GHD proposes to provide a technical memorandum which presents the proposed VMT guidance for the City to utilize in establishing an interim ordinance for SB 743 implementation. The interim ordinance would include identifying VMT methodology and thresholds. GHD proposes to defer identifying streamlining criteria and mitigation strategies in the interim ordinance due to the need to establish this ordinance in a short timeframe for use in the General Plan update. GHD will deliver a draft and final memorandum, incorporating edits and comments from City staff.

Note: GHD assumes the contents of the comments from City staff on the Draft Memorandum will be largely editorial and formatting in nature. Any comments requiring new analysis or concept development may be subject to additional scope and fee. These tasks do not include GHD’s attendance at any governing board hearings for consideration of adoption of the

interim ordinance. If GHD's attendance is required at any government board hearings, it will be subject to additional scope and fee based on time and materials. These tasks do not include identifying screening and streamlining criteria, identification of applicable mitigation strategies, or example evaluations.

B. Compensation:

GHD estimates completion of a draft interim VMT guidance (Task 1.2) 8 weeks after Notice to Proceed. The total compensation for services will be **\$22,500** on a not-to-exceed time and materials basis, broken down by staff in estimated hourly increments as follows.

Table 1 Cost Estimate

Task	D. Hubbard Senior QA/QC	B. Park Senior Engineer	R. Southern Project Engineer	Technician	Total
Task 7.1: VMT Methodology and Thresholds	8	24	34	20	\$16,000
Task 7.2: VMT Interim Ordinance	4	2	32		\$6,500
Task 7 Total	12	26	66	20	\$22,500