The purpose of this memorandum is to provide information about changes in State law (Senate Bill 743) that affect the City of San José’s transportation and environmental review policies in preparation for the City Council Study Session on October 6, 2017. This report builds upon and incorporates content from the information memorandum on this topic sent to the City Council in June 2017, and provides additional information related to the key provisions of the proposed policy modification, and the significant public and stakeholder outreach and engagement efforts.

Senate Bill 743 removes the vehicular Level of Service (LOS) metric from transportation analysis under the California Environmental Quality Act (CEQA) and recommends replacing it with a metric such as Vehicle Miles Traveled (VMT). The State of California Office of Planning and Research (OPR) expects to submit new CEQA Transportation Guidelines to the State Natural Resources Agency in late 2017 to begin the formal rulemaking process, with an expectation that cities and other agencies will need to implement new policies by 2019.

**Purpose and Agenda for the October 6 City Council Study Session**

The October 6 Study Session will provide the City Council with an opportunity to learn about, review, and discuss this proposed policy modification, and to provide feedback on the approach for finalizing and adopting a new City Transportation Analysis Policy to comply with State law.

At the Study Session, City staff will focus on the following:

- Summarize the consistency between the goals of the City’s General Plan 2040 and State law related to CEQA, transportation analysis, and balanced and focused land use
- Changes in State law and their impact on City transportation policies and practices
- Review staff’s preliminary transportation policy proposal, example projects, and other related considerations, as well as initial community and stakeholder feedback
- Receive City Council and public input on the draft proposal and other considerations.

The Study Session will include presentations by City staff from the Transportation and the Planning, Building and Code Enforcement Departments; and State representatives Kate White,
Deputy Secretary of Environmental Policy and Housing Coordination with the California State Transportation Agency (CalSTA), and Chris Ganson, Senior Planner with the Governor’s Office of Planning and Research.

BACKGROUND

California Environmental Quality Act

CEQA was enacted in 1970 in response to growing awareness that environmental impacts associated with proposed discretionary actions (i.e. projects) should be disclosed to the general public. The State-required environmental review process mandates that the public be provided with an objective analysis of the immediate and long-range impacts of a proposed project on its surrounding physical environment, and that decision-makers consider these impacts. CEQA plays an important role in the implementation of the City’s General Plan goals and policies. The City implements CEQA in accordance with Title 21 (Environmental Clearance Ordinance) of the San José Municipal Code.

A fundamental component of CEQA analysis is the determination of whether a project has the potential to significantly affect the physical environment. This determination requires careful judgment on the part of the City and is based on scientific and factual data to the extent possible. Historically, the City and other jurisdictions have used Transportation LOS as the significant impact threshold for transportation analysis under CEQA.

Transportation “Level of Service” Measurement

LOS measures vehicle delay (e.g. congestion levels) at intersections and on roadways. It is represented as a letter grade A through F, where LOS A represents completely free-flowing traffic, while LOS F represents highly congested conditions. To calculate LOS for a project, a multi-step process is required that must identify, estimate, or obtain the following information: intersections that may be affected (e.g. study intersections), existing traffic count and current delay data, and trips projected from a project, along with travel mode (e.g. vehicle, transit, walking or bicycling) and direction of vehicle trip travel.

History of Transportation Policies and Relationship to CEQA in San José

In 1978, the City Council established a Transportation LOS Policy (Council Policy 5-3) to meet CEQA requirements and require that projects include mitigation measures to reduce transportation impacts and conform to the Horizon 2000 General Plan. This Policy required the analysis of potential LOS impacts and mitigation, typically in the form of expanded intersections and roadways to provide capacity for estimated increases in vehicular traffic from projects.

In 1987, the City Council adopted City Council Policy 5-4 to establish alternate traffic mitigation measures allowed under the General Plan. In 2002, the City Council adopted amendments to the
San José 2020 General Plan to allow flexibility in the vehicular traffic and transportation policies to support multi-modal transportation goals and smart growth land use principles.

In 2005, in alignment with the 2002 changes to the General Plan, the City Council adopted a new Multi-Modal Transportation Policy 5-3, consolidating the two previous Council Policies (Council Policy 5-3, “Transportation LOS,” and Council Policy 5-4, “Alternate Traffic Mitigation Measures”) into a single Council Policy 5-3 entitled “Transportation Impact Policy” (“Policy 5-3”). Policy 5-3 continues to identify LOS as the CEQA metric for analyzing project transportation impacts. Policy 5-3 is still in effect today and provides a multi-step process for the analysis and determination of the overall conformance of a proposed project with the City’s General Plan smart growth and multi-modal transportation policies.

Under Policy 5-3, projects that cause the LOS at signalized intersections to degrade below the LOS D standard are identified to have significant impacts under CEQA. Policy 5-3 also includes exemptions for: 1) intersections within the Downtown area, in recognition of the unique position of the Downtown as the transit hub of Santa Clara County and as the City’s center of business, institutional and cultural activities; and 2) small, infill projects.

Projects that trigger a significant impact must identify mitigation to maintain the LOS standard. For intersection impacts that cannot be mitigated, Policy 5-3 only allows the City Council to override that significant impact in one of following three circumstances:

1. The impact occurs outside of the City’s jurisdiction and therefore the City does not have control to implement feasible mitigations (for example, on a Caltrans facility or in a neighboring city)

2. The City Council establishes an Area or Transportation Development Policy to address land use and transportation needs

3. The City Council designates the intersection as a “Protected Intersection,” where the intersection is already built to its maximum planned capacity

Subsequent to 2005, additional Protected Intersections were added to the City’s List of Protected Intersections, as allowed by Policy 5-3. Policy 5-3 has not been significantly updated since 2005, although in December 2016 the text and maps associated with Policy 5-3 were updated to reflect the Envision San José 2040 General Plan’s definition of Special Strategy Areas, which included “Urban Villages, Transit Station Areas, and Specific Plan Areas,” and to create an additional Community Improvement Zone.

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1 Protected Intersection designations are only allowed in Special Strategy Areas as set forth in Policy 5-3. Impacts on Protected Intersections require that alternative offsetting improvements (such as pedestrian, bicycle, and transit facilities) be made to enhance the transportation system in the vicinity of the development, near the Protected Intersection, or in other segments of the transportation system within a designated Community Improvement Zone.
**Envision San José 2040 General Plan**

In November 2011, the City Council adopted the Envision San José 2040 General Plan (General Plan) to guide future growth and development in San José. The General Plan continues the evolution of longstanding growth management and environmental sustainability policies, and establishes an updated framework to enhance job growth while providing capacity for new housing and facilitating high-quality, vibrant urban places.

The General Plan aims to transform San José from a city built around the automobile to one that prioritizes people and the public spaces where they live, work, and connect. It recognizes that access (being able to get to the things you need) is a function of both proximity and mobility and includes complementary strategies to improve them:

- **Proximity** – The General Plan provides a framework to transition from a segregated land use pattern, where the things that people need in their daily lives (housing, jobs, shops, services, daycare, schools, entertainment, recreation, etc.) are spread apart, to more mixed land uses that are integrated and clustered more closely together in “Planned Growth Areas.” These Planned Growth Areas are expected to accommodate more than 470,000 new residents and 380,000 additional jobs, as projected in the General Plan. Planned Growth Areas include Downtown, Specific Plan Areas, Urban Villages and Employment Priority Areas, and are largely clustered around existing and planned transit.

Regionally, these goals aim to bring residents and jobs closer together, with more employment opportunities in San José allowing more people to work closer to home and avoid long, traffic-filled commutes to and from the traditional job centers in northern parts of Santa Clara County and along the Peninsula.

- **Mobility** – The General Plan aims to build a more balanced and environmentally sustainable transportation system where 60% of trips made in San José are by walking, bicycling, transit, or carpool. To achieve this ambitious goal, the General Plan prioritizes better places to walk, connected bicycle facilities that are comfortable for people of all ages and abilities, and improved transit options, particularly in Planned Growth Areas.

This focused and balanced growth strategy brings people closer to the places they need to go. It reduces people’s need to travel (or travel as far) and increases their ability to travel by walking, biking, or taking transit. This growth strategy also takes advantage of transit investments, with transit-oriented developments that support transit ridership while decreasing auto-dependence.

While this strategy directs and promotes development within Planned Growth Areas, it also strictly limits new residential development outside of these Planned Growth Areas to preserve and enhance the quality of established neighborhoods, reduce environmental and fiscal impacts,
and encourage development within the City’s Urban Growth Boundary that are closer to multi-modal transportation options.

**Vehicle Miles Traveled (VMT)**

VMT measures the amount and distance people drive, taking the number of passengers within a vehicle into account. Typically, development at a greater distance from other land uses and in areas without transit generates more driving than development near other land uses with more robust transportation options. Currently, VMT information is used to help measure other CEQA impacts within the City, including air quality and greenhouse gas emissions at a project level and, in General Plan or program-level analysis, to identify long-range transportation impacts.

The Envision San José 2040 General Plan established a three-tiered goal to reduce the City’s VMT – initially by 10%, then 20%, and eventually 40% per capita over the life of the Plan.

**Senate Bill 743 (Environmental Quality: Transit-Oriented Infill Projects)**

In September 2013, the California Legislature passed and Governor Brown signed Senate Bill 743 (Steinberg). SB 743 directs the State OPR to establish new CEQA guidance for jurisdictions that removes vehicular LOS from transportation analysis under CEQA and replaces it with VMT, or another measure that “promote[s] the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” The intent of this change is to shift the focus of transportation analysis under CEQA from vehicle delay (e.g. congestion) and auto capacity to reducing auto emissions, creating multimodal networks, and promoting integrated land uses.

In August 2014, the State OPR published a Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing SB 743, and invited public comment. In January 2016, the State OPR released a revised proposal for changes to the CEQA Guidelines to implement SB 743. The City of San José submitted comments on both the Preliminary Discussion Draft (2014) and Revised Proposal (2016). The State OPR expects to submit the final proposal to the State Natural Resources Agency in late 2017 to begin the formal rulemaking process that will amend the State’s CEQA Guidelines. After approval of the proposed Guidelines by the Natural Resources Agency, jurisdictions are expected to have up to two years from the date of approval to comply with SB 743 (anticipated late 2019).

**Congestion Management Programs and Infill Opportunity Zones**

Since 1989, the State of California has required Congestion Management Programs (CMPs) to develop a comprehensive transportation improvement program among local jurisdictions aimed at reducing traffic congestion and improving land use decision-making and air quality. CMPs are based on State law (AB 471, 1989, California Government Code § 65088-65089.10). The City of San José is currently a party to the CMP that is managed by the Santa Clara Valley
Transportation Authority (VTA). In accordance with State law, VTA continues to require LOS measurement for transportation facilities monitored by the CMP.

SB 743 reintroduced Infill Opportunity Zones (IOZs) to align the requirements of CEQA under SB 743 and the CMP. IOZs are areas in which CMP transportation facilities are exempt from CMP LOS requirements to incentivize the development of "infill housing and mixed-use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes competing needs" (CA. Gov’t. Code § 65088.4). IOZs must be within one-half mile of high-quality transit and in designated Transit Priority Areas, per the regional Sustainable Communities Strategy. Transportation facilities within IOZs will continue to be part of the CMP program but would be measured under multimodal performance criteria instead of LOS.

ANALYSIS

SB 743 intends to balance local congestion management with statewide goals related to infill development, promoting public health through active transportation, and reducing regional congestion and pollution. The change also supports the State’s climate action goals to reduce greenhouse gas (GHGs) emissions through coordinated transportation and land use planning and sustainable communities, in line with State laws such as Assembly Bill 32 (the California Global Warming Solutions Act) and Senate Bill 375 (Sustainable Communities Strategy).

Changes to how transportation is measured under CEQA can remove barriers to infill development, public transportation projects, and projects that promote walking and biking. Under current environmental rules, increases in automobile traffic congestion (LOS) are considered an environmental impact that must be mitigated - by expanding intersections and roadways - even if the mitigation increases GHGs. The change to a VMT-based metric is intended to:

1) Streamline CEQA review for projects that improve infrastructure and safety for pedestrians, bicyclists, and transit-riders, while reducing the need to travel by automobile

2) Facilitate residential, commercial, and mixed-use infill projects that improve air quality by reducing the number of miles driven by automobiles.

Moving from LOS to VMT as the City’s CEQA transportation metric is good for San Jose’s near-term and long-term sustainability, from an environmental, fiscal, and community development perspective. It aligns with the major strategies, land use plans, and transportation goals already in the Envision San José 2040 General Plan, and facilitates its implementation.
Updating the City’s Transportation Analysis Policies

Developing a new City Council Policy provides an opportunity to better align the City’s transportation analysis for land use and transportation projects with the General Plan’s major strategies and goals. Staff proposes these modifications occur over time in two primary phases:

- **Phase I** – Establish a new City Council Transportation Analysis Policy, moving from LOS to a VMT-based CEQA metric, with thresholds of significance in line with State guidance (SB 743) and General Plan policies, and enhancing the Local Transportation Analysis requirement to ensure safe and balanced transportation

- **Phase II** – Adopt complementary strategies to fully implement General Plan goals, realize planned growth, and complete the multi-modal transportation network, and explore broader regional and/or citywide strategies, and potential impact fees.

These two phases are described below with the focus in the near term on Phase I and the new Transportation Analysis Policy.

**Phase I – New City Council Transportation Analysis Policy**

To comply with SB 743, San José must replace the City’s current transportation impact policy, Council Policy 5-3, with a new Policy. This change will require an amendment to the text of the General Plan and the City’s Transportation Impact Analysis (TIA) Guidelines to make them consistent with a new Policy.

A preliminary draft of the new Policy was released to the public in August 2017, discussed in workshops with the development and consultant communities, and has been refined based on feedback received. A second draft of the Policy is provided to the City Council as part of this Study Session and is available for review on the City’s website (www.sanjoseca.gov/vmt). The key directions proposed in the new Policy to realize the goals in the General Plan and SB 743 include:

- **Transition Transportation Analysis under CEQA from LOS to VMT**, with thresholds and mitigation measures in line with State guidance and General Plan policies.

- **Provide certain projects with a presumption of a less-than-significant VMT impact**, based on their location, type, size, density, and other attributes. This includes transportation projects that do not change or inherently reduce VMT; and small infill projects, local-serving retail, and development in Planned Growth Areas with low-VMT that are served by frequent transit, and for restricted affordable housing, in any Planned Growth Area, with frequent transit.

- **Allow for Infill Opportunity Zones (IOZs)** as provided by the State to avoid conflicts with the VTA Congestion Management Program (CMP).
• **Maintain existing Area and Transportation Development Policies (ADPs and TDPs),** grandfathering those policies and, in the case of ADPs, the development capacity environmentally cleared within them.

• **Establish a clear timeline** after which projects will be subject to the new Policy; preliminarily, this would include projects that officially submit a complete application to the City’s Planning Department roughly one to two months after a new Policy is enacted.

• **Limit the ability to override significant and unavoidable VMT impacts** to rare instances, namely:
  - Development that conforms to the General Plan, provides the City with extraordinary benefits, reduces VMT to the extent possible, and invests in the multi-modal transportation system. For market rate residential development to qualify for this provision, it must be sufficiently dense multifamily housing in Planned Growth Areas (e.g. Urban Villages) where housing is allowed.
  - 100% restricted affordable housing development in conformance with the General Plan with a transportation demand management program that reduces VMT to the extent feasible.

• **Require a Local Transportation Analysis (LTA)** outside of CEQA in accordance with City Guidelines. The LTA will study local transportation operations, including safety, multimodal access, and signalized intersection level of service proximate to the project; site access and circulation; and neighborhood transportation issues. The LTA will ensure that the project does not negatively affect surrounding neighborhoods or the operation of the transportation network, and recommend needed transportation improvements.

Under the new Policy, development in San José that aligns with the General Plan will generally experience a less extensive environmental review process, and less required mitigation, with respect to transportation. This is particularly true in the City’s Planned Growth Areas that are well-served by transit, such as the Downtown and Central San José Urban Villages, where development is expected to come in with VMT below recommended thresholds for a significant impact. Staff anticipates that the Downtown Strategy 2040 EIR update will be among the first major projects subject to a new City VMT standard under CEQA.

**Phase II – Future Complementary Strategies to Align Goals, Policies, and Programs**

The new Transportation Analysis Policy complies with SB 743. Given the City’s ambitious General Plan and carbon-reduction goals, staff proposes to continue evaluating all of the City’s transportation-related policies. This evaluation may include:

• A Transportation Demand Management (TDM) ordinance to ensure that all projects reduce vehicular travel demand, regardless of whether projects have a VMT impact under
CEQA.

- Initially explore regional transportation impact fees, and only if necessary, then Citywide transportation impact fees. Impact fees have the potential to streamline development and ensure that projects across the region pay their fair share toward transportation needs. This type of fee structure is used by other cities in California, including San Francisco and Pasadena, two cities that have already shifted to a VMT-based transportation analysis under CEQA. The City has impact fees in place in certain areas that pay for regional transportation infrastructure, and a regional fee program could facilitate lowering those fees. Recognizing the significant effort, and ultimately lesser control over creating a regional impact fee program, and that some transportation needs are local, the City may also want to explore a citywide transportation impact fee that is feasible in light of various City fee programs, and would not have as unacceptable disincentive to develop in San José.

- An assessment of other measures and tools utilized to assess transportation needs and issues, including, but not limited to, those required under CEQA.

This phased approach allows for a more comprehensive analysis of all measures and tools that can be utilized as experience is gained with a new Policy. It also allows for further coordination with other jurisdictions on the more challenging process of aligning policies and tools across jurisdictions, and in determining the feasibility of regional investment and fees. The phased approach provides the City the opportunity to assess and, if needed, determine appropriate adjustments to the new Policy and LTA, once it has been in place for a period of time and other jurisdictions have determined how they will implement SB 743. This work is expected to continue into 2019, with the final timing and scope to be confirmed based on technical research and analytical needs, interjurisdictional coordination, and various stakeholder input.

**Key Considerations**

The following are key considerations for the City Council to consider and discuss as part of the October 6, 2017 Study Session:

- **Achieving Environmental Sustainability and Climate Protection Goals** – Mobility accounts for 54% of GHG emissions in San José today. The City supports the Paris Agreement and is developing an Environmental Sustainability Plan that establishes a technically robust “pathway to Paris” that aligns with the Agreement’s 2 degrees Celsius goal. Implementing the General Plan is a necessary but insufficient part of that pathway. To realize our GHG-reduction goals, the City must use a metric like VMT that supports smart land use and transportation choices and reduce the need to travel by car.

- **Strengthening Local Transportation Analysis** – The proposed LTA builds on existing practices and policy, and balances the needs of developers, the City, and the community. Particularly because many developments in the Planned Growth Areas of San José are
expected to have VMT below the recommended thresholds for a significant impact, the LTA provides the community and City with important information about a project and, when needed, a mechanism to address identified concerns and issues and improve the multimodal transportation system.

• **Changing Transportation System Investment** –

  - The new Policy fundamentally changes the nature and extent of transportation mitigation required under CEQA. It requires multimodal transportation improvements and programs to lower (“mitigate”) VMT. In areas of the City with lower VMT, the new Policy will likely reduce the required investment to mitigate CEQA impacts. There are benefits to incentivizing development in these areas, given that the City’s roadway network is largely built out and land use changes themselves – providing people with jobs, housing, and services in close proximity and along transit corridors – will be critical to achieving General Plan goals to increase walking, bicycling, and transit use, and to reduce VMT.

  - The multimodal transportation network is not complete, and the need for regional improvements (e.g. transit and highway connections) remain. The LTA is one way to continue investment in needed multimodal improvements. As described in Phase II above, a regional and/or citywide transportation impact fee is a potential strategy to address this concern, and staff will explore appropriate options.

• **Interjurisdictional Issues** – The City of San José has established itself as a leader within the South Bay in developing tools, research and a policy framework for shifting to VMT-based CEQA analysis. The City should continue to work collaboratively with VTA and other jurisdictions in Santa Clara County to establish consistent, defensible and fair policies to implement SB 743. As VTA and other jurisdictions begin to consider their own response to SB 743, San José should pursue alignment with other jurisdictions regarding key policy provisions, technical tools, and investment mechanisms.

**Community and Stakeholder Outreach and Engagement**

Staff began analyzing the shift from LOS to VMT in 2016, reviewing best practices and experiences, soliciting input from stakeholders, and conceptualizing policies based on State guidance, the General Plan, and initial input received.

City staff has held approximately 30 meetings with members of the community and other stakeholder groups. These meetings included two citywide topic-specific community meetings; numerous neighborhood meetings; sessions with developers, consultants, and advocates; and a Study Session with the Planning Commission. City staff has also held multiple sessions with VTA and other cities, including cities that have already adopted a VMT-based standard, those who are developing their own policies, and other cities in Santa Clara County who have not yet
begun to explore their options in earnest. Staff also solicited input and released information and policy drafts through a City website (www.sanjosecagov/vmt).

The following summarizes the primary feedback received to date, with additional detail to be provided in the Study Session presentation:

Residents and Neighborhood Groups

- Questions on how VMT would impact specific future development
- Desire for new development to invest in transportation improvements
- Concerns about growth (e.g. parking, traffic, and new development).

Developers and Consultants

- Desire to not add cost, time, and complexity to the development review process
- Concern about the appropriateness of setting a retail VMT threshold at no new net VMT
- Suggestion to make neighborhood transportation improvements a more formal part of the review process
- Suggestion to streamline financial contribution from development, including through an impact fee.

Community Stakeholders

- General support for a VMT-based policy
- Questions on the level of investment by developers into transportation infrastructure under a VMT-based policy.

City staff has taken this feedback into consideration in developing the draft Transportation Analysis Policy. The City recognizes the importance of managing the transition from LOS to VMT thoughtfully and clearly. Staff will focus on communications and practical procedures to continue to facilitate development during the transition and avoid added cost, confusion, community concern, and unintended consequences.

Milestones towards a New CEQA Transportation Metric

To seek input and complete the Phase I Policy changes discussed, staff proposes the following key milestones:

- City Council Study Session (October 6, 2017)
- Planning Commission Recommendation (Fall/Winter 2017/18)
- City Council Consideration and Action (Winter 2017/18)
COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, Office of Economic Development, and Housing Department.

/s/  
JIM ORTBAL  
Director of Transportation

/s/  
ROSALYNN HUGHEY  
Interim Director of Planning, Building and Code Enforcement

/s/  
BARRY NG  
Director of Public Works

For questions, please contact Ramses Madou, Transportation Planning Manager, Department of Transportation (ramses.madou@sanjoseca.gov or 408-975-3283).
Date: October 2, 2017

The City of San Jose is releasing the attached preliminary draft Transportation Analysis Policy for discussion.

This Policy revision is intended to satisfy the requirements of a change in State law (Senate Bill 743) and bring the City of San Jose’s transportation and land use policy into greater alignment with the Envision San Jose 2040 General Plan.

More information about this policy change can be found at www.sanjoseca.gov/VMT. Feedback on this policy can be sent to vmt@sanjoseca.gov, submitted via the comment form on the website, and/or shared with staff at workshops and public meetings listed on the website.

Thank you for your feedback and interest.
City of San José, California

COUNCIL POLICY

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<tr>
<th>TITLE</th>
<th>PAGE</th>
<th>POLICY NUMBER</th>
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APPROVED BY COUNCIL ACTION

BACKGROUND

This Policy repeals and replaces Council Policy 5-3, "Transportation Impact Policy". This Policy brings the City of San José’s transportation analysis in line with State, and City goals as directed in Senate Bill 743 (SB 743) and the City of San José’s Envision San José 2040 General Plan (General Plan). As required by SB 743, this Policy establishes the thresholds for transportation impacts under the California Environmental Quality Act (CEQA), removing transportation Level of Service (LOS) and replacing it with Vehicle Miles Traveled (VMT). Appendix A defines terms in this policy noted in Italics.

The General Plan sets forth a vision and comprehensive road map to guide the City’s continued growth through the year 2040. The City’s General Plan strategically links land use and transportation to reduce the environmental impacts of growth by promoting denser more compact mixed use development that in turn can make walking, biking and transit use commonplace. The General Plan encourages compact, mixed-use development in focused growth areas, bringing together office, residential and service land uses to internalize trips and reduce VMT. To achieve San José’s mobility goals, the General Plan encourages the development and use of non-automobile transportation modes to minimize vehicle trip generation and reduce VMT.

PURPOSE

This Policy establishes:

1) The Transportation Analysis framework for proposed developments, land use plans and transportation projects (all called “Projects” in this policy) in the City of San José

2) VMT based analysis for transportation impacts under CEQA

3) The requirement that Projects perform Local Transportation Analysis (LTA) to analyze their conformance with the multimodal transportation strategies, goals, and policies in the General Plan and address negative impacts found in that analysis to the transportation system.

POLICY

San José is establishing VMT as its metric for CEQA transportation analysis because it fosters a more sustainable and vibrant city and aligns with State law. VMT based policies support dense, mixed use, infill Projects in the General Plan’s Planned Growth Areas that aim to bring closer together the places people go everyday. VMT’s multimodal lens focuses resources on the development of robust multimodal transportation networks as envisioned in the General Plan. Projects encouraged by this policy will reduce the City’s environmental footprint from transportation and land use and create lively places that are well served by complete multimodal transportation networks.
Transportation Analysis (TA) Framework

Transportation Analysis of proposed Projects produces information the City must have to inform the CEQA project approval and decision making processes. Projects conducting Transportation Analysis (TA) must prepare a TA report consisting of a CEQA VMT evaluation and/or Local Transportation Analysis. Sections I and II below describe the policy elements guiding the VMT CEQA evaluation and Local Transportation Analysis respectively. Implementation details are specified in Appendix B, Policy Implementation Procedures. Detailed methodologies and requirements are explained in City’s Transportation Analysis Guidelines. TAs must comply with relevant professional standards and the methodology included within the City’s Transportation Analysis Guidelines, which can be found on the City’s Development Services web site. Appendix C presents a flow chart of the Transportation Analysis process.

I. Vehicle Miles Traveled CEQA Transportation Analysis

In accordance with CEQA, all proposed Projects are required to assess transportation as a component of environmental review. This Transportation Analysis Policy establishes presumptions of less than significant impact and thresholds for identifying transportation environmental impacts. This Policy also sets requirements for Projects to mitigate significant impacts as well as the City’s mechanism for working with Projects with significant and unavoidable impacts. Projects that are neither exempt, nor presumed to have a less than significant impact are required to evaluate potential transportation impacts and propose mitigations and/or improvements.

A. Projects Presumed to have a Less than Significant Impact

The requirement to evaluate VMT applies to all Projects except the following types of Projects because the City Council finds that these Projects will not result in significant transportation impacts and will further other City goals and policies:

1. Small Infill Projects
2. Local-Serving Retail
3. Transit Supportive Projects in Planned Growth Areas with Low VMT and High Quality Transit
4. Restricted Affordable, Transit Supportive Residential Projects in Planned Growth Areas with High Quality Transit
5. Transportation Projects that reduce or do not affect VMT

B. Vehicle Miles Traveled CEQA Transportation Thresholds of Significance

Projects that are not presumed to have a less than significant impact must evaluate their VMT. The thresholds of significance used by the City of San José to measure VMT are described in Table 1 below by Project Type. Projects that have a significant transportation impact must mitigate the VMT impacts to the fullest extent possible. Detailed methods for calculating VMT by Project type are detailed in the City’s Transportation Analysis Guidelines.
<table>
<thead>
<tr>
<th>Project Types (as categorized in the General Plan)</th>
<th>Threshold for Determination of Significant Transportation Impact</th>
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<tbody>
<tr>
<td>Residential Uses</td>
<td>VMT per resident greater than the less stringent of the following thresholds: 1) 15 percent below the Citywide per resident VMT, OR 2) 15 percent below regional VMT per resident</td>
</tr>
<tr>
<td>General Employment Uses (e.g. office, R&amp;D)</td>
<td>VMT per employee greater than 15 percent below existing regional VMT per employee</td>
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<tr>
<td>Industrial Employment Uses (e.g. warehouse, manufacturing and distribution uses)</td>
<td>VMT per employee greater than existing regional VMT per employee</td>
</tr>
<tr>
<td>Retail Uses (Including Hotel)</td>
<td>A net increase in the total VMT for the region</td>
</tr>
<tr>
<td>Public/Quasi-Public Uses</td>
<td>Public/Quasi-Public uses will be analyzed using the most relevant threshold as determined by City staff for the proposed use on the site from the enumerated Project types above</td>
</tr>
<tr>
<td>Mixed-Uses</td>
<td>Each land use component of a mixed-use Project will be analyzed independently, applying the significance threshold for each development type included in the Project from the enumerated development types above.</td>
</tr>
<tr>
<td>Change of Use or Additions to Existing Development</td>
<td>Changes of use or additions to existing development will be analyzed applying the significance threshold for each development Project component type included in the Project from the enumerated development types above.</td>
</tr>
<tr>
<td>Urban Village, Station Area Plans, Development Policy, Specific, Strategy or Other Area Plans</td>
<td>Each land use component will be analyzed independently, applying the significance threshold for each development type included in the Project from the enumerated development types above.</td>
</tr>
<tr>
<td>General Plan Amendments</td>
<td>General Plan Amendments will be analyzed in conformance with the General Plan’s definition of VMT: An increase in total VMT is a significant transportation impact.</td>
</tr>
<tr>
<td>Transportation Projects</td>
<td>Net increase in VMT greater than that specified in the latest State AB 32 Scoping plan.</td>
</tr>
</tbody>
</table>
C. Less than Significant Impact with Mitigation

If a Project is determined to have a significant impact on VMT, it must reduce that impact by modifying Project VMT to an acceptable level (below the established thresholds of significance applicable to the Project) and/or mitigating the impact through multimodal transportation network improvements or establishing a Trip Cap.

D. Significant and Unavoidable Impacts

If a Project is unable to fully mitigate VMT impact(s) and thus results in significant and unavoidable transportation impact(s), the Project may opt to:

1) Modify/Change or move the Project to meet VMT threshold(s)

2) Construct or fund multimodal transportation improvement(s)

3) Convert residential portions of the Project into affordable units, if within a Planned Growth Area

II. Local Transportation Analysis (LTA)

The following section establishes the City's Local Transportation Analysis requirements. Any Project may be required to submit an LTA. Land use and area plans generally do not have sufficient detail to perform an LTA and therefore are not required to perform one. An LTA analyzes the effects of a Project to transportation, access, circulation, and related safety elements within the local area of the Project. An LTA proposes improvements to address negative effects discovered in the analysis. Elements of an LTA are comprehensively discussed in the City’s Transportation Analysis Guidelines and include, but are not limited to:

- Local operational analysis, including safety and signalized intersection level of service
- Site access and circulation analysis
- Local neighborhood impacts analysis
- Local area multimodal analysis
- Compliance with the County’s Congestion Management Program

LTAs provide additional information to evaluate transportation conditions proximate to a Project and supplements the VMT analysis. LTAs aid the implementation of the multimodal vision of the City’s General Plan. The General Plan calls for new development to play a role in building out the inter-connected, multimodal transportation networks needed to fulfil its vision. The following General Plan Policies Guide the implementation of LTAs:

**CD-3.3** - Within new development, create and maintain a pedestrian-friendly environment by connecting the internal components with safe, convenient, accessible, and pleasant pedestrian facilities and by requiring pedestrian connections between building entrances, other site features, and adjacent public streets.

**LU-9.1** - Create a pedestrian-friendly environment by connecting new residential development with safe, convenient, accessible, and pleasant pedestrian facilities. Provide such connections between new development, its adjoining neighborhood, transit access points, schools, parks, and nearby commercial areas.

**PR-8.5** - Encourage all developers to install and maintain trails when new development occurs adjacent to a designated trail location. Use the City’s Parkland Dedication Ordinance and Park Impact Ordinance to have residential developers build trails when new residential development occurs adjacent to a designated trail location, consistent with other parkland priorities. Encourage developers or property owners to enter into formal agreements with the City to maintain trails adjacent to their properties.
**TR-1.2** - Consider impacts on overall mobility and all travel modes when evaluating transportation impacts of new developments or infrastructure Projects.

**TR-1.4** - Through the entitlement process for new development, fund needed transportation improvements for all transportation modes, giving first consideration to improvement of bicycling, walking and transit facilities. Encourage investments that reduce vehicle travel demand.

**TR-2.8** - Require new development where feasible to provide on-site facilities such as bicycle storage and showers, provide connections to existing and planned facilities, dedicate land to expand existing facilities or provide new facilities such as sidewalks and/or bicycle lanes/paths, or share in the cost of improvements.

An LTA must identify the existence, status and condition of pedestrian, bicycle, transit and vehicular transportation systems and facilities that would serve, or may be affected by, the proposed Project. Further analysis of site design and access, neighborhood traffic issues, local transportation safety and other Project area transportation issues may also be studied as specified in the City’s Transportation Analysis Guidelines or as determined by City staff. The Project must complete the proposed LTA prior to, or in conjunction with, the Project’s environmental review requirements.
# APPENDIX A
TO CITY COUNCIL POLICY XYX
DEFINITIONS OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Quality Transit Areas</td>
<td>High quality transit areas are within one half mile of a high quality transit corridor or major transit stop.</td>
</tr>
<tr>
<td>High Quality Transit Corridor</td>
<td>Pub. Resources Code § 21155 “A high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours”.</td>
</tr>
<tr>
<td>Internalized trips</td>
<td>Are trips that occur within a Project area whereas they would normally begin or end at further locations.</td>
</tr>
<tr>
<td>Level of Service (LOS)</td>
<td>Is a measure of automobile delay through a roadway facility, graded on a scale A through F.</td>
</tr>
<tr>
<td>Major Transit Stop</td>
<td>Pub. Resources Code § 21064.3 “‘Major transit stop’ means 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”.</td>
</tr>
<tr>
<td>Planned Growth Areas</td>
<td>Areas designated in the City’s General Plan to accommodate much of the growth expected in the General Plan’s horizon.</td>
</tr>
<tr>
<td>Transportation Demand Management (TDM)</td>
<td>Strategies to incentivize the more efficient use of existing transportation infrastructure through modal change particularly the encouragement of pedestrian, bike and transit use.</td>
</tr>
<tr>
<td>Trip Cap</td>
<td>A maximum number of vehicle trips that a project can generate on any given day.</td>
</tr>
<tr>
<td>Vehicle Miles Traveled (VMT)</td>
<td>As used in this Policy, measures the amount of vehicle travel associated with a Project. VMT is measured by multiplying the total vehicle trips by the average distance of those trips, adjusted for the number of people in the vehicles. For residential and employment land uses, VMT is measured for each person who will occupy or use a Project. For large retail and transportation Projects, the net amount of VMT is measured.</td>
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APPENDIX B
TO CITY COUNCIL POLICY XYX
POLICY IMPLEMENTATION PROCEDURES

The applicant\(^1\) for any proposed Project must submit a Transportation Analysis (TA) that identifies:

1) Potential transportation impacts as defined in the VMT section of this Policy and negative effects on nearby transportation facilities as identified by the LTA section of this Policy

2) Mitigations for significant impacts found in the VMT analysis and improvements to address negative effects identified in the LTA analysis. This may include impacts and negative effects on any multimodal transportation facility (e.g. pedestrian facilities, transit stops, transit reliability, sidewalks, bicycle lanes, roadways, and roadway capacity, etc.).

Both the VMT analysis and LTA must comply with relevant professional standards and the methodology included within the City’s Transportation Analysis Guidelines. TAs must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works.

The instructions and procedures for preparing a TA, including the criteria used to determine the significance of transportation impacts and to evaluate the effectiveness of mitigation measures, are included in the City’s Transportation Analysis Guidelines. The City’s Department of Transportation maintains these Guidelines and posts them to the City’s Development Services website. The Guidelines are updated on a periodic basis to include evolving industry best practices.

CEQA VMT Implementation Procedures

In accordance with CEQA, all proposed projects are required to assess transportation as a component of environmental review. Below are the CEQA VMT Implementation Procedures for:

- **Projects Presumed to have a Less than Significant Impact**
- **CEQA VMT Transportation Thresholds of Significance**
- **Less than Significant with Mitigation**
- **Significant and Unavoidable Impacts**

**A. Projects Presumed to have a Less than Significant Impact**

The requirement to evaluate VMT applies to all Projects except the following types of Projects because the Council finds that these Projects will not result in significant transportation impacts and will further other City goals and policies:

1. **Small Infill Projects** – Projects that are sufficiently small may be presumed to have a less than significant transportation impact in accordance with CEQA. The City Council finds that these projects, individually and cumulatively, will not result in significant impacts on the transportation system and will conform to the City’s General Plan, and other City goals and policies:
   a. All office buildings containing 10,000 square feet of gross floor area or less
   b. All industrial buildings containing 30,000 square feet of gross floor area or less
   c. All single-family detached residential projects of 15 or fewer dwelling units

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\(^1\) For this Policy, the term "applicant" refers to the individual or entity that has requested an entitlement or discretionary development approval from the City of San José
d. All single-family attached or multi-family residential projects of 25 or fewer units

In no case shall any of these above types of small infill projects be presumed to have a less than significant transportation impact if they are increments of a larger project or “site” as defined in Chapter 20.200 of the San José Municipal Code.

2. Local-Serving Retail: Local-serving retail typically diverts existing trips from established local retail to new local retail without measurably increasing trips outside of the area. In recognition of this effect, retail commercial projects up to 100,000 gross square feet will be presumed to have a less than significant impact if the largest retail space is no larger than 60,000 square feet. This presumption is not applicable to Projects that contain drive-through retail as defined in City Council Policy 6-10 “Criteria for the Review of Drive-through Uses”, due to the high auto-traffic volume associated with this type of Project.

3. Transit Supportive Projects in Planned Growth Areas with Low VMT and High Quality Transit: In accordance with State Law and the City’s General Plan, proposed transit supportive Projects within City Planned Growth Areas, that have VMT below the threshold relevant to the Project’s land use, and are near high-quality transit may be presumed to have a less than significant transportation impact under CEQA transportation review.

Residential and commercial projects, as well as mixed-use projects which are a mix of these above uses, are presumed to have a less than significant impact on VMT if they meet all the following minimum criteria:

a. Located within a Planned Growth Area as defined in the General Plan

b. Located within ½ mile of an existing major transit stop or a high quality transit corridor

c. The project area VMT, as defined by the City’s Transportation Model, is less than or equal to the CEQA VMT threshold for the proposed land use(s)

d. Possess a transit-supporting project density, measured as
   i. A minimum Floor Area Ratio (FAR) of 0.75 for commercial projects, or commercial portions of a mixed uses project, based on gross floor area
   ii. A minimum of 35 dwelling units per acre for residential projects
   iii. If the Project is in a Planned Growth Area that has a maximum density below 0.75 FAR or 35 dwelling units per acre, the project must meet the maximum density allowed in the Planned Growth Area

e. Possess a minimal amount of parking
   i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).
   ii. For projects in Urban Villages or Downtown
      – The number of parking spaces proposed must be adjusted to the lowest amount allowed by City code. For example, in an Urban Village a 50% off-street parking reduction is allowed by Municipal Code Section 20.90.220 if a project meets certain geographic and transportation demand management criteria.
      – The proposed number of parking spaces can be up to the zoned minimum, not including adjustment allowed by City code, if the parking provided is shared and publicly available and/or “unbundled” as defined in Chapter 20.200 of the Zoning Code.

\[ 35 \text{ units per acre} \] is derived from the California State Office of Planning and Research’s suggested FAR of 0.75.
f. Does not negatively impact pedestrian, bike, or transit infrastructure.

4. **Restricted Affordable, Transit Supportive Residential Projects in Planned Growth Areas with High Quality Transit:** Residents of affordable residential Projects typically have a lower VMT footprint than residents in market rate residential Projects. This pattern is particularly evident in affordable residential Projects near transit. In recognition of this effect, and in accordance with State Guidelines and the City's General Plan, proposed transit supportive, restricted, affordable housing Projects within City Planned Growth Areas, that are near high-quality transit, may be presumed to have a less than significant transportation impact under CEQA.

Affordable residential Projects, as well as affordable residential portions of mixed-use Projects, are presumed to have a less than significant impact on VMT if they meet all the following minimum criteria:

a. Project must offer 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability must extend for a minimum of 55 years for rental homes or 45 years for for-sale homes

b. Located within a Planned Growth Area as defined in the General Plan

c. Located within ½ mile of an existing major transit stop or a high quality transit corridor

d. A minimum of 35 dwelling units per acre
   i. If the Project is in a Planned Growth Area that has a maximum density below 35 dwelling units per acre, the Project must meet the maximum density allowed in that Planned Growth Area

e. Projects that are proposed in above threshold VMT areas must include a robust TDM plan as part of their LTA

f. Possess a minimal amount of parking
   i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).
   ii. For Projects in Urban Villages or Downtown
       – The number of parking spaces proposed must be adjusted to the lowest amount allowed by city code. For example, in Urban Village a 50% street parking reduction is allowed by Muni code section 20.90.220 if a project meets certain geographic and transportation demand management criteria.
       – The proposed number of parking space can be up to the zoned minimum if the parking provided is shared and publicly available and/or “unbundled parking” as defined in Chapter 20.200 of the Zoning Code

g. Does not negatively impact pedestrian, bike, or transit infrastructure.

5. **Transportation Projects that reduce or do not affect VMT:** Transportation Projects that inherently support environmental, land use and transportation goals of the City and State by reducing or being neutral to VMT are presumed to have a less than significant impact under CEQA VMT review. Examples include transportation projects that enhance pedestrian, bike, or transit infrastructure, and transportation projects that maintain current infrastructure, without adding substantial new auto capacity. A list of example projects that meet this presumption was published by the Office of Planning Research in the 2016 Guidelines for Implementing SB 743, it is reproduced below:

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- Rehabilitation, maintenance, replacement and repair Projects designed to improve the condition of existing transportation assets (e.g., highways, roadways, bridges, culverts, tunnels, transit systems, and assets that serve bicycle and pedestrian facilities) and that do not add additional motor vehicle lanes
- Roadway shoulder enhancements to provide “breakdown space,” otherwise improve safety or provide bicycle access
- Addition of an auxiliary lane of less than one mile in length designed to improve roadway safety
- Installation, removal, or reconfiguration of traffic lanes that are not for through traffic, such as left, right, and U-turn pockets, or emergency breakdown lanes that are not utilized as through lanes
- Addition of roadway capacity on local or collector streets provided the Project also substantially improves conditions for pedestrians, bicyclists, and, if applicable, transit
- Conversion of existing general purpose lanes (including ramps) to managed lanes or transit lanes, or changing lane management in a manner that would not substantially decrease impedance to use
- Reduction in number of through travel lanes
- Grade separation to separate vehicles from rail, transit, pedestrians or bicycles, or to replace a lane in order to separate preferential vehicles (e.g. HOV, HOT, or trucks) from general vehicles
- Installation, removal, or reconfiguration of traffic control devices, including Transit Signal Priority (TSP) features
- Traffic metering systems
- Timing of signals to optimize vehicle, bicycle or pedestrian flow
- Installation of roundabouts
- Installation or reconfiguration of traffic calming devices
- Adoption of or increase in tolls
- Addition of tolled lanes, where tolls are sufficient to mitigate VMT increase (e.g., encourage carpooling, fund transit enhancements like bus rapid transit or passenger rail in the tolled corridor)
- Initiation of new transit service
- Conversion of streets from one-way to two-way operation with no net increase in number of traffic lanes
- Removal of off-street parking spaces
- Adoption or modification of on-street parking or loading restrictions (including meters, time limits, accessible spaces, and preferential/reserved parking permit programs)
- Addition of traffic wayfinding signage
- Rehabilitation and maintenance Projects that do not add motor vehicle capacity
- Any lane addition under 0.3 miles in length, including addition of any auxiliary lane less than 0.3 miles in length

B. CEQA VMT Transportation Thresholds of Significance

VMT, as used in this Policy, measures the amount of motorized vehicle travel associated with a Project. VMT is measured by multiplying the total vehicle trips by the average distance those trips travel.

For residential and employment uses other than retail commercial uses, VMT is measured for each person who will occupy or use a Project. For retail commercial and transportation projects, the net amount of VMT is measured to understand potential impacts.

The thresholds of significance used by the City of San José to measure VMT are described in Table 1 of this Policy by Project Type. Detailed methods for calculating VMT by project type are described in the City's Transportation Analysis Guidelines.
C. Less than Significant with Mitigation

If a Project is determined to have a significant impact on VMT, it must reduce that impact by modifying Project VMT to an acceptable level (below the established thresholds of significance applicable to the Project) and/or mitigating the impact through multimodal transportation network improvements or establishing a Trip Cap.

Methodologies for measuring and mitigating VMT for Projects are described in the City’s Transportation Analysis Guidelines. Methodologies for measuring and mitigating VMT for Projects must conform to the City’s Transportation Analysis Guidelines.

A Trip Cap as used in this policy is a maximum number of vehicle trips allowed during any given day associated with a Project. The City, in coordination with the applicant, will set a Project’s Trip Cap at a level that is reasonably attainable through proven means and enables the Project’s VMT to be reduced below the relevant threshold(s). A plan for how to implement and fund the Trip Cap for the life of the Project will be required in the TA documentation, and be a part of the Project conditions of approval. The plan will include methods for an annual trip monitoring program.

If a Project’s annual monitoring report finds that it is not in conformance with its Trip Cap, a short grace period to correct the Project’s trips, not to exceed 6 months, will be provided. A Project not in conformance with its Trip Cap will be required to submit a new Trip Cap implementation plan which includes how and why the already established plan failed and new strategies and measures to attain the Trip Cap. Penalties will be assessed if a Project is not in conformance with its Trip Cap after the given grace period. Penalties per year of non-attainment will be set at 1/5th the cost of the Transportation System Improvement(s) value defined in item D2 below.

D. Significant and Unavoidable Impacts

If a Project is unable to fully mitigate VMT impact(s) and thus results in significant and unavoidable transportation impact(s), the Project may opt to:

1. Modify/Change or move the Project to meet VMT threshold(s). This could include the following: Changing the project type, increasing density and land use diversity, improving project design, reducing off-street parking supply, replacing market rate units with affordable housing units, include local multimodal transportation network improvements as part of the Project, or moving the Project to an area of the City where VMT is lower.

2. Construct or fund multimodal transportation improvement(s). Projects that meet the criteria below may be offered an opportunity to construct or fund multi-modal transportation improvement(s), called Transportation System Improvement(s). Transportation System Improvements will improve system efficiency and/or safety, enhance non-auto travel modes, and promote citywide reduction of VMT.
   a. Commercial or industrial Projects that
      i. demonstrate extraordinary benefits to the City, as determined by the City Council, based on a recommendation by City staff
      ii. are consistent with the General Plan, and any applicable area plan(s)
   b. Residential projects that
      i. Are in Planned Growth Areas
      ii. demonstrate extraordinary benefits to the City, as determined by the City
Council, based on a recommendation by City staff

iii. meet the density requirements specified in the Transit Supportive Projects in Planned Growth Areas with Low VMT and High Quality Transit presumption of a less than significant impact

iv. are consistent with the General Plan, and any applicable area plan(s)

By constructing or paying a fair share towards improvements to the City's overall multimodal transportation system, the Project will contribute to achieving General Plan goals for improving and expanding the City's multimodal transportation system. Therefore, the Project can be found consistent with the City's General Plan multimodal Transportation Policies.

The value of Transportation System Improvements that an applicant will construct or fund will be proportionate to the amount of VMT their Project is not able to mitigate. The value of Transportation System Improvements will be equal to the values in Table 2, Fair Share VMT fee for Significant and Unavoidable Impacts.

Table 2 - Fair Share VMT Value for Significant and Unavoidable Impacts

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>$3,200 per Vehicle Miles Traveled not mitigated</td>
</tr>
<tr>
<td>Residential</td>
<td>$2,300 per Vehicle Miles Traveled not mitigated</td>
</tr>
</tbody>
</table>

The value of Transportation System Improvements will increase annually in line with the Engineering News-Record Construction Cost Index (ENR CCI) on an annual basis to ensure that the value remains consistent over time.

For purposes of clarification, improvements to the Citywide multimodal transportation system as discussed in this section are not "mitigation" for significant VMT impacts, as mitigation is defined by CEQA. Such improvements would not necessarily reduce or avoid the significance of VMT impacts that cannot be mitigated. Rather, the improvements accomplished in this way are a means of providing substantial additional benefit to the community by improving the overall multimodal transportation system in the area, which the Council would consider in deciding whether to approve the proposed Project. It has been determined that building such improvements may contribute substantially to achieving General Plan goals for improving and expanding the City's multimodal transportation system. A development Project that conforms to this Policy could, therefore, be found to be consistent with the City's General Plan multimodal transportation policies.

3. Affordable residential projects that are 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12\(^4\), that are consistent with the General Plan, as well as any applicable area plan(s), may be offered an opportunity to proceed even if their VMT impact is not mitigatable. These affordable residential projects will be required to mitigate their VMT to the maximum extent possible, including through implementation of a robust and tailored TDM plan but would not be required to pay a per VMT not mitigated fee.

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\(^4\) Affordability must extend for a minimum of 55 years for rental homes or 45 years for for-sale homes.
APPENDIX C
TO CITY COUNCIL POLICY XYX
Flow Chart of the Transportation Analysis Process

Transportation Analysis Scoping

Large Projects

Small Projects

Non-Exempt

Local Transportation Analysis

(VMT Analysis (CSJ Evaluation Tool or Travel Demand Model))

Local Improvements

Offsetting Fee

VMT Partial Mitigation

Extraordinary Benefit

VMT Mitigation

No VMT Impacts

1) Local retail
2) Transit supported low VMT growth area
3) Affordable Transit supported growth area
4) VMT reducing transportation projects

Exempt

VMT Analysis

Local Transportation Analysis

Local Improvements

VMT Mitigation

Local Improvements

VMT Partial Mitigation

Local Improvements

Extraordinary Benefit

Offsetting Fee

1) No VMT Impacts
2) VMT Mitigation
3) VMT Partial Mitigation
4) Extraordinary Benefit

Local Improvements

Local Improvements

VMT Mitigation

No VMT Impacts

Local Improvements

VMT Partial Mitigation

Extraordinary Benefit

Offsetting Fee