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Key SB 743 Implementation Steps for Land Use Projects

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Overview of SB 743

- What it does:
 - Eliminates LOS/Delay as metric to identify a significant environmental impact
 - The Governor’s Office of Planning and Research (OPR) has proposed, and the California Natural Resources Agency has certified and adopted, changes to the CEQA Guidelines that identify vehicle miles traveled (VMT) as the most appropriate metric to evaluate a project’s transportation impacts
- Legislative Intent:
 - (1) Ensure that the environmental impacts of traffic, such as noise, air pollution, and safety concerns, continue to be properly addressed and mitigated through the California Environmental Quality Act (CEQA).
 - (2) Balance the needs of congestion management with statewide goals related to infill development, transit investments, promotion of public health through active transportation, and reduction of greenhouse gas emissions.
- Goals:
 - Promote the reduction of greenhouse gas emissions
 - Promote the development of multi-modal transportation networks
 - Promote a diversity of land uses

Document Purpose

This document is intended to provide lead agencies an overview of the steps to consider when complying with [Senate Bill \(SB\) 743](#).

A. Who is the audience for this document?

Lead agencies. As defined by CEQA, the lead agency is the public agency that has the primary responsibility for carrying out or approving a project (State CEQA Guidelines Section [15367](#)).

B. How this document should be used?

The steps outlined in this document are meant to provide guidance toward implementation of SB 743, which eliminates the use of vehicle LOS as the basis for identifying significant transportation impacts in CEQA analysis. To comply with SB 743, lead agencies will need to make a series of decisions about how to change current transportation impact analysis procedures when conducting project-level CEQA analysis and shift to using vehicle miles traveled (VMT). Review and updates of existing policies and decision-making should reflect discussions with staff from a variety of city/jurisdiction departments that have LOS polices/criteria for transportation and land use projects in addition to the city attorney’s office.

Please note: each lead agency should consult with CEQA experts and legal counsel regarding their own CEQA practices and updates to local policies. This document provides guidance but is not a legal document or legal interpretation of the law.

C. What is the role of the Metropolitan Transportation Commission (MTC)/Association of Bay Area Governments (ABAG) in SB 743 implementation?

MTC/ABAG does not have a formal role as defined by SB 743 and the Governor’s Office of Planning and Research (OPR). However, the legislative intent of SB 743, which is to balance the needs of congestion management with statewide goals related to infill development, transit investments, promotion of public health through active transportation, and reduction of greenhouse gas (GHG) emissions, aligns with Plan Bay Area goals. In particular, SB 743 aligns with the Plan’s goals of focusing growth through the Priority Development Area (PDA) growth framework, investing in multi-modal transportation programs and infrastructure, and reducing GHG emissions.

MTC/ABAG has supported several jurisdictions to advance implementation of SB 743 through the PDA Technical and Staffing Assistance Program. In addition, MTC/ABAG contributed to the Santa Clara Valley Transportation Authority’s (VTA) effort to develop a web-based tool for Santa Clara County jurisdictions to estimate VMT for land use projects and plans, which may help to guide similar efforts in other Bay Area counties. Finally, MTC/ABAG held two regional Planning Innovations [forums](#) (#4 and #7) featuring panelists that provided early guidance on SB743 implementation and highlighted the experience of early-adopter cities, San Francisco, Oakland and San Jose.

Based on this collective experience, MTC/ABAG staff developed this document to provide general guidance to lead agencies. Since implementation in each city that received a PDA Staffing Assistance Program grant is following a similar approach, staff compiled the key SB 743 implementation steps which were then reviewed by jurisdictions and consultants. Again, each lead agency should consult with CEQA experts and legal counsel regarding their own CEQA practices and updates to local policies. The steps listed in the next section are not intended to be legal interpretation of the law.

Timeline

September 27, 2013	SB 743 passed
November 2017	Final Draft Guidelines published
December 2018	Natural Resource Agency completed Certification of CEQA Guideline changes, including modifications for SB 743 and updates to the Technical Advisory on Evaluating Transportation Impacts in CEQA
July 1, 2020	Compliance expected

Key SB 743 Implementation Steps for Land Use Projects

	Action	Description	Lead City Department	Actions/Decisions to be Made
1.	Assemble an SB 743 Implementation Team	<p>1.1 Form a team comprised of staff from departments that have LOS polices/criteria for transportation and land use projects, including:</p> <ul style="list-style-type: none"> • The department that has the primary responsibility for carrying out or approving a project. In some cities, the effort is led by Transportation and in others it's led by Planning or Public Works • Planning/Transportation/Public Works • City Attorney (legal input at the start of the will help to create a more defensible process) • To consider keeping informed: your county transportation agency SB 743 staff for implementation resources/assistance (listed below) 	Decide on the department to lead implementation of SB 743, shifting to using VMT as a measure of transportation impact under CEQA	<ul style="list-style-type: none"> • Determine the department to lead implementation of SB 743 • Create a cross-departmental SB 743 implementation team • Schedule recurring meetings with all identified team members to work through the decisions and next steps
	Resources:	<p><u>The resources below provide an understanding of SB 743 and the reasons to shift to VMT:</u></p> <ul style="list-style-type: none"> • CEQA Guidelines update adopted in late 2018 (CEQA guidelines are the rules; the Governor's Office of Planning and Research (OPR) Technical Advisory (following bullet) contains suggestions about how to comply with a few of the rules) • OPR Technical Advisory and key resources on SB 743 (studies, reports, briefs and tools) here • Background on VMT and LOS: <ul style="list-style-type: none"> ○ Problems with LOS (OPR) ○ What is VMT (Fehr & Peers) ○ Benefits of VMT (OPR) ○ Methods for Land Use Projects (OPR) ○ Full Counting of VMT (OPR) • Caltrans <ul style="list-style-type: none"> ○ Caltrans is working on guidance documents to use VMT in projects on the State Highway System and their review of local development projects. The guidance documents were discussed at the November 8, 2019 webinar. This webpage also has helpful resources for SB 743 implementation work around the state • VTA Level of Service (LOS) to Vehicle Miles Traveled (VMT) Transition resources and factsheet (applicable to cities generally) • SB 743 Case Studies <ul style="list-style-type: none"> ○ The Urban Sustainability Accelerator at Portland State University created four case studies to study the application of VMT on a highway project and three land use projects • Consultant guidance: <ul style="list-style-type: none"> ○ Fehr & Peers ○ Nelson\Nygaard • MTC/ABAG's Planning Innovations Forums <ul style="list-style-type: none"> ○ Workshop 4: Moving from LOS to VMT: Making SB743 an Asset to Your Community ○ Workshop 7: SB 743 Implementation Strategies: Moving from LOS to VMT - Part II: Show Me the (Fee) Money! 		

	Action	Description	Lead City Department	Actions/Decisions to be Made
	Additional Information:	<p>CTA SB 743 Contacts – county staff are developing materials that may be useful for your implementation:</p> <ul style="list-style-type: none"> Alameda County Transportation Commission (ACTC): Saravana Suthanthira, SSuthanthira@alamedactc.org; Aleida Andrino-Chavez, aandrino-chavez@alamedactc.org City/County Association of Governments for San Mateo County (C/CAG): Jeff Lacap, jlacap@smcgov.org Contra Costa Transportation Authority (CCTA): Matt Kelly, mkelly@ccta.net Napa Valley Transportation Authority (NVTA): Alberto Esqueda, aesqueda@nvta.ca.gov Sonoma County Transportation Authority (SCTA): Christopher Barney, chris.barney@scta.ca.gov Solano Transportation Authority (STA): Robert Guerrero, rguerrero@sta.ca.gov Santa Clara Valley Transportation Authority (VTA): Robert Swierk, robert.swierk@vta.org <ul style="list-style-type: none"> VTA Level of Service (LOS) to Vehicle Miles Traveled (VMT) Transition resources, including the “LOS to VMT Transition: Things Local Agencies Should Be Thinking About” factsheet (applicable to cities generally) Transportation Authority of Marin (TAM): Derek McGill, dmcgill@tam.ca.gov 		
2.	Establish Legal and Political Framework	<p>2.1 Establish existing transportation analysis context and confirm existing supportive and related policies</p> <ul style="list-style-type: none"> Informed by interviews with city staff, which include staff from the departments listed in Step 1.1 and other department staff who are involved with land use and development, including Economic Development, Community Development, City Manager, as appropriate Requires review from the SB 743 implementation team to identify gaps in review, clarify existing policy functions, etc. <p>2.2 Confirm process required for policy reform</p> <ul style="list-style-type: none"> Requires review from City Attorney to confirm requirements, essential process steps, and path forward <p>2.3 Identify engagement and outreach needs for communication with City staff in various departments; City elected officials; the public</p> <ul style="list-style-type: none"> Informed by stakeholder interviews May require review from City staff to confirm communication needs and unique messaging; and from City Attorney’s office to identify public noticing, targeted audience communication requirements 	<p>Co-lead: Transportation, Planning and/or Public Works</p> <p>City Attorney</p> <p>Co-lead: Transportation, Planning and/or Public Works</p>	<ul style="list-style-type: none"> Compile feedback from interviews with each department that uses LOS and document any concerns to address in the next steps Define the goals and desired outcomes of the new analysis approach Confirm legal requirements for changing existing policy to inform how to structure CEQA transportation review of significant impact policy update process Determine how to carry out internal and external engagement to inform the communication strategies for city staff, elected officials and the public at large

	Action	Description	Lead City Department	Actions/Decisions to be Made
		<p>2.4 Document existing development review processes, transportation impact review, parking policies, TDM policies, impact fees, including, but not limited to:</p> <ul style="list-style-type: none"> ○ General Plan ○ Specific Plans ○ Municipal Code ○ Active transportation plans (bicycle, pedestrian and safe routes to transit plans) ○ Development Fees ○ County Transportation Authority documents (technical procedures, congestion management program) ○ County General Plan ○ Existing TOD ordinances ○ Existing parking ordinances ● Review of relevant policy documents determines if existing policies exist that are contrary to the overarching goals of SB 743 and may require modification, and how to streamline the development review process ● MTC/ABAG will be providing guidance to cities on establishing consistency between local plans and Plan Bay Area 	<p>Co-lead: Transportation, Planning and/or Public Works, with support from City Attorney</p>	<ul style="list-style-type: none"> ● Identify comprehensive list of relevant documents to ensure complete policy update ● Recommend edits to existing plans and policies to support new CEQA analysis approach
	<p>Additional Information:</p>	<ul style="list-style-type: none"> ● Example questions to ask city staff to understand the legal framework, supporting policies and programs, and public engagement: <ul style="list-style-type: none"> ○ What are the potential challenges you foresee or biggest concerns you have with reforming the CEQA transportation impact analysis process? ○ What kinds of outcomes would you like to see based on new transportation-impact metrics? ○ What transportation analysis should occur within CEQA? What if any transportation analysis should occur outside of CEQA? ○ How are traffic impact fees tied to LOS mitigation? Are they used for active transportation or transit projects? ○ What is the most productive aspect of the current public engagement process for land use projects? Alternatively, what is problematic? ○ As you look ahead, what do you think will be the city's most pressing growth/development-related transportation issues? ○ Where does CEQA figure in the application process for development projects? How? 		

	Action	Description	Lead City Department	Actions/Decisions to be Made
3.	Establish Thresholds of Significance	<p>3.1 Determine the travel model you want to use to estimate baseline VMT: MTC or county travel model</p> <ul style="list-style-type: none"> The VMT outputs of either model can be used to implement two key aspects of SB 743: 1) creating map-based screens, and 2) establishing the VMT base from which to build additional VMT analysis Decision on which model to use depends the size of the transportation analysis zones (TAZ) and resolution level you would like to use, as well as the level of model validation that has been completed <p>3.2 Determine the significance thresholds for VMT impacts</p> <ul style="list-style-type: none"> Review of VMT per capita thresholds of significance (based on local data by TAZ and best practices examples) Determine if your agency accepts the OPR Technical Advisory recommendation that land use projects and plans within MPO areas can achieve a 15% reduction in VMT per capita or per worker compared to existing average conditions. Or does your agency feel that a different threshold is more appropriate for your situation and will require legal input? 	Lead: Transportation, Planning or Public Works	<ul style="list-style-type: none"> Understand the data inputs and models used to analyze local VMT to inform significance thresholds approach Draft recommendation for thresholds of significance to inform final thresholds of significance Consider presenting work to Planning Commission or other governing body as an information item
	Additional Information:	<ul style="list-style-type: none"> OPR Technical Advisory for suggested thresholds: <ul style="list-style-type: none"> Residential: 15% below existing city and/or regional average VMT per capita Office: 15% below existing regional average VMT per employee Retail: No net increase in total VMT SB 743 allows for the use of models to estimate a project’s VMT per capita and defers to lead agencies to choose the methodology for analyzing environmental impacts. <ul style="list-style-type: none"> Review travel demand models (county and MTC) and the associated VMT outputs that are relevant for your city Conduct preliminary analysis of VMT per capita by TAZ Consider opportunities to match thresholds to local goals Define “screening thresholds” (if desired) to identify when a project should be expected to cause a less-than-significant impact without conducting a detailed study Decide whether to retain LOS for local purposes (and whether to adopt Infill Opportunity Zones (IOZs)): SB 743 requires that Lead Agencies stop using LOS/delay-based measures in CEQA, but does not change state Congestion Management Program law (which still emphasizes LOS) and does not prevent agencies from using LOS for local purposes under their police power. Whether to retain LOS for local analysis (and whether to designate IOZs if your agency is eligible) will depend on the goals and values of your agency and constituents Note: bicycle, pedestrian, and transit projects are presumed to have no significant impact on VMT 		

	Action	Description	Lead City Department	Actions/Decisions to be Made
	Resources:	<ul style="list-style-type: none"> • MTC Travel Model • VMT Maps • Contact your county representative (listed in Step 1) for model assistance 		
4.	Develop Transportation Impact Review (TIR) Guidelines and Mitigation Strategy	4.1 Review existing TIR guidelines and identify analysis needs based on new CEQA thresholds of significance and ongoing operations analysis needs	Co-lead: Transportation, Planning and/or Public Works	<ul style="list-style-type: none"> • Determine the parts of the existing TIR guidelines that should be maintained, and what needs to be replaced to inform final TIR guidelines
4.2 Review new mitigation approaches, including TDM; changing the project’s location or attributes; developing a VMT-focused impact fee program; establishing a VMT exchange or VMT bank.		Co-lead: Transportation, Planning and/or Public Works	<ul style="list-style-type: none"> • Determine the local TDM goals and objectives and other mitigation measures are needed to inform final VMT mitigations and TDM strategies 	
4.3 Draft new TIR Guidelines and mitigation strategy to address both CEQA/VMT analysis and performance, and other local transportation impact analysis needs		Co-lead: Transportation, Planning and/or Public Works	<ul style="list-style-type: none"> • Review draft documents to support policy implementation to inform final TIR guidelines and TDM Strategy 	
	Additional Information:	<ul style="list-style-type: none"> • If your agency feels that vehicle delay is an important issue that should continue to be monitored, your agency can continue to use vehicle LOS as part of its transportation planning and entitlement review process 		
	Resources:	<p>TDM Resources:</p> <ul style="list-style-type: none"> • CAPCOA (note: CAPCOA research is ten years old and is in the process of being updated by ARB) • SANDAG recently released a VMT calculator tool and accompanying documents for cities in their region that can be adapted by other regions or cities <ul style="list-style-type: none"> ○ Mobility Management Guidebook — describes more than 30 mobility management strategies that can be implemented at the project and community levels to mitigate transportation impacts. ○ VMT Reduction Calculator Tool — Excel workbook that evaluates the VMT impact of more than 20 mobility management strategies ○ Tool Design Document - documents the overall methodology, inputs, and data sources used to develop the VMT Reduction Calculator Tool ○ User videos online on the webpage • Several cities have created VMT tools to estimate VMT expected to be generated by proposed land use projects: <ul style="list-style-type: none"> ○ Los Angeles ○ San Jose (VTA is developing a tool based on San Jose’s) ○ WRCOG tool here, overview here • <i>Implementing SB 743: An Analysis of Vehicle Miles Traveled Banking and Exchange Frameworks</i> <ul style="list-style-type: none"> ○ UC Berkeley’s research paper compares VMT mitigation “banks” and “exchanges” with examples provided of ways to mitigate VMT under CEQA or the mitigation fee act • Impact fee programs can support VMT mitigations. An impact fee program explicitly developed for the purpose of supporting a VMT reduction program can serve as mitigation for VMT impacts under CEQA. The West Los Angeles Transportation Improvement and Mitigation Specific Plan provides example (see Appendix B Transportation Impact Assessment (TIA) Fee) 		

	Action	Description	Lead City Department	Actions/Decisions to be Made
5.	Policy Recommendations and Approvals	5.1 Draft recommended CEQA thresholds of significance criteria and screening criteria <ul style="list-style-type: none"> Requires review to ensure local analysis needs are being met, alignment with local goals and objectives 	Co-lead: Transportation, Planning and/or Public Works; support from City Attorney	<ul style="list-style-type: none"> Review draft policy language to inform final CEQA thresholds of significance
		5.2 Summarize recommended edits to existing plans and policies to support new CEQA analysis approach <ul style="list-style-type: none"> Requires review from to ensure local analysis needs are being met, alignment with local goals and objectives 	Co-lead: Transportation, Planning and/or Public Works; support from City Attorney	<ul style="list-style-type: none"> Final language changes in assorted policy documents to inform final revisions to implement new policy
		5.3 Support adoption of the above policy and analysis updates <ul style="list-style-type: none"> City staff present changes and new policy to various adopting bodies (Planning Commission and/or City Council) 	Co-lead: Transportation, Planning and/or Public Works; support from City Attorney	<ul style="list-style-type: none"> Final adoption

SB 743 Implementation Efforts in the Bay Area (and Pasadena)

Completed:

City	Website
Oakland	Modernizing Transportation Impact Review
Los Angeles	Modernizing Transportation Analysis
Pasadena	Transportation Impact Analysis Guidelines
San Francisco	Transportation Sustainability Program (TSP)
San Jose	CEQA Transition to Vehicle Miles Traveled Metric

* Note: not a complete list

In Progress:

City	Additional Information
Concord	Abhishek Parikh, Abhishek.Parikh@cityofconcord.org Planning Commission presentation
Hayward	Charmine Solla, Charmine.Solla@hayward-ca.gov
Fremont	Bill Roth, broth@fremont.gov
Morgan Hill (just initiating)	Maria Angeles, Maria.Angeles@morganhill.ca.gov
Mountain View	Soroush Aboutalebi, Soroush.Aboutalebi@mountainview.gov
Petaluma	Olivia Ervin, oervin@cityofpetaluma.org
Vacaville	Gwen Owens, Gwen.Owens@cityofvacaville.com
Vallejo	Afshan Hamid, narcissa.wilson@cityofvallejo.net (Afshan's assistant)
Walnut Creek	Smadar Boardman, boardman@walnut-creek.org
San Rafael	Rafat Raie, Rafat.Raie@cityofsanrafael.org

* Note: not a complete list

Consultants with SB 743 Implementation Experience

(Note: not a complete list)

- Arup, Will Baumgardner, William.baumgardner@arup.com.
- **Fehr & Peers:** Julie Morgan, j.morgan@fehrandpeers.com
- **Nelson\Nygaard:** Meghan Weir, mweir@nelsonnygaard.com
- **Placeworks:** JoAnn C. Hadfield, jhadfield@placeworks.com