

PURPOSE

VEHICLE MILES TRAVELED MITIGATION



PURPOSE OF CALIFORNIA'S SENATE BILL 743

On September 27, 2013, Governor Jerry Brown signed Senate Bill (SB) 743 into law and started a process that has fundamentally changed transportation impact analysis as part of California Environmental Quality Act (CEQA) compliance. SB 743 has goals related to **public health**, meeting **housing demand through infill development**, and **reducing greenhouse gas (GHG) emissions**. In order to encourage this shift, transportation impacts are now determined based on **vehicle miles traveled (VMT)**, rather than level of service (LOS) or other measures of traffic congestion.

By using VMT as a metric to determine transportation impacts, **development is encouraged in places where trips are short**. The close proximity of destinations in these places makes walking, bicycling, and transit viable and competitive with driving. As population and employment growth are attracted to these places, **the net effect over time is to reduce per-capita VMT and its adverse effects on the environment**.

HOW CEQA VMT MITIGATION WORKS TODAY

If a project causes a significant VMT impact, the project is required to mitigate to the fullest extent feasible. The number of feasible strategies for reducing VMT from an individual project is limited. Most of the on-site VMT mitigation strategies are highly dependent on who will occupy the buildings, which may not be known at the outset of a project and may change throughout the project's lifespan. The effectiveness of on-site VMT mitigation strategies is therefore difficult to quantify with a high level of confidence. The VMT mitigation strategies that can be quantified may still only offer limited VMT reduction potential.

HOW TO EXPAND CEQA VMT MITIGATION OPTIONS

A "program approach" to VMT mitigation expands the feasible VMT mitigation options to include off-site strategies that can extend from the project site neighborhood to regional in scale. These strategies may take the form of infrastructure expansion such as new bicycle facilities or programs/services that influence travel demand.

The establishment of such a VMT Mitigation Program is a high priority for California jurisdictions searching for effective mitigation approaches as lead agencies and project applicants work through the initial years of the transition to a VMT metric. SCAG has taken the lead on exploring the possibility in Southern California.

This VMT Mitigation Program Factsheet summarizes the possibilities, the outstanding questions, and some initial work currently underway.

PROGRAM OPTIONS

SCAG has identified a need to **EXPAND CEQA VMT MITIGATION OPTIONS** beyond the project site to achieve our sustainable transportation goals.

SCAG is exploring how this might work in practice through impact fees, exchanges, and banks.



DEFINITIONS

VMT

Vehicle Miles Traveled

Mitigation Program

Refers to the impact fee, exchange, or bank

Mitigation Action

Capital improvement projects, programs, services, or operations and maintenance efforts that are delivered through a mitigation program

Project

Development or transportation project requiring mitigation

VMT-based Impact Fees

- Allow a project applicant to **pay a fee** toward the cost of a set of VMT-reducing capital improvement projects that are sufficient to mitigate General Plan-level¹ VMT impacts

- Could include **a range of infrastructure projects**, consistent with the General Plan and CEQA expectations and designed to reduce VMT

- **May not achieve full VMT reduction** necessary to mitigate impact to a less than significant level

VMT Exchanges

- Allow a project applicant to **fund and/or implement a mitigation action** off a pre-qualified list or propose a new one

- Expand **mitigation actions beyond capital improvement projects** (i.e., increasing transit service frequency, operating a car sharing program, etc)

- **May not produce scalable VMT reductions** that would match project impact responsibility

VMT Banks

- Create a monetary value for VMT reduction such that a project applicant could purchase **VMT reduction credits**

- Create a **marketplace for VMT reduction** by establishing a bank administrator capable of pricing VMT reduction actions and adjusting those prices over time

- Provide certainty in development costs, scaled to project's impact responsibility, and **could allow for full impact mitigation**

¹ Fee programs may also be developed for other types of land use plans such as community plans and specific plans.

PROGRAM OPTIONS



AGENCY OVERSIGHT & FUNDING

VMT-based Impact Fees

VMT Exchanges

VMT Banks

Who pays who?

Project Applicant → Lead Agency

Project Applicant → Lead Agency
or
Project Applicant → Lead Agency → Exchange Mitigation Action
or
Project Applicant → Exchange Mitigation Action

Project Applicant → Lead Agency
or
Project Applicant → Lead Agency → Exchange Mitigation Action
or
Project Applicant → Exchange Mitigation Action

Who implements the mitigation action?

Lead Agency

Lead Agency or Project Applicant

Banks

PROGRAM CRITERIA & EFFICACY

What types of mitigation actions can be funded?

Capital improvement projects

Note: Some jurisdictions have incorporated transit service and Transportation Demand Management (TDM) strategies to their Capital Improvement Plans.

Capital improvement projects, programs, services, or operations & maintenance efforts

Capital improvement projects, programs, services, or operations & maintenance efforts

MONITORING

What is being evaluated?

Capital Improvement Plan implementation

Depends on how a project's impact and mitigation is structured in the EIR
May need to evaluate mitigation action implementation and/or VMT reduction performance over time

Depends on how a project's impact and mitigation is structured in the EIR
May need to evaluate mitigation action implementation, VMT reduction performance over time, and/or market price changes for VMT reduction over time

Who evaluates the mitigation action?

Lead Agency

Lead Agency

Lead Agency, Bank, or other designated third party

How frequently does evaluation occur?

Fee program costs are updated annually and five year checks are mandatory in the statute

Dependent on how a project's impact and mitigation is structured in the EIR

Regularly—possibly every year

CEQA COMPLIANCE

What is the CEQA mitigation potential?

May allow for full mitigation for projects consistent with a General Plan for which the fee program was designed to mitigate a VMT impact in the General Plan EIR

May allow for full mitigation depending on rigor of data collection and analysis, but depends on availability and lifespan of mitigation actions

May allow for full mitigation but depends on the VMT reduction performance of Bank strategies and market conditions affecting prices over time

GEOGRAPHY, DURATION & EQUITY

Three key topics to be addressed through this project include: Defining the right geographic scale and boundary for a mitigation program, understanding a project applicant's required duration of participation, and understanding the equity-related impacts and trade-offs with respect to VMT reduction effectiveness.



FOR MORE INFORMATION
on Metro's U-Pass Program, visit www.metro.net/riding/colleges/u-pass-program/



CONTACT
Mike Gainor at gainor@scag.ca.gov for inquiries on SCAG's VMT Mitigation Program efforts



VMT MITIGATION PROGRAMS

IMPLEMENTING THE U-PASS PROGRAM

SCAG, in partnership with **LADOT & METRO**, are exploring piloting the existing **U-PASS** (Universal College Student Transit Pass) program as a mitigation action for a pilot VMT Exchange program.

AGENCY OVERSIGHT & FUNDING

The U-Pass program is well established and already has a **system in place for private sponsorship of passes**.

Who pays who?

Project Applicant sponsors new student transit passes, paying LA Metro or lead agency to distribute the passes, scaling up to meet their VMT reduction needs.

PROGRAM CRITERIA & EFFICACY

The U-Pass program **clears the additionality test** because the passes would not have been purchased otherwise. Evidence from recent research demonstrates that transit passes could reduce VMT by up to 5.5 percent¹ and the U-Pass program has already proven to attract new transit riders, with 1 in 5 participants not having ridden transit before receiving a pass.²

What types of mitigation actions can be funded?

Funds must go towards new transit trips to qualify as a VMT reducing mitigation action. This could be achieved through enrolling new universities and new student riders in the UPass program, or expanding existing UPass university programs to attract new riders.

MONITORING

The U-Pass program already collects **user survey and ridership data**. One of the key goals of this pilot is to understand the potential for this data to be used both to determine the efficacy of the program and to monitor its growth.

What is being evaluated?

In partnership with SCAG, LADOT & Metro will continue to evaluate the performance of the pilot each semester, taking into account the number and length of new transit trips that replace vehicle trips. If possible, the travel patterns of new participants will be evaluated before and after receiving their passes to verify VMT changes.

CEQA COMPLIANCE

What is the CEQA mitigation potential?

This program may allow for full mitigation depending on the available evidence from LA Metro regarding VMT reduction performance. Absent before and after studies of performance, mitigation effectiveness would likely rely on current academic research, which only provides a range from 0-5.5%. With 0 being the lower end of the range, mitigation effectiveness will have limited confidence that should be reflected in the impact findings.

GEOGRAPHY & SCALE

The U-Pass program provides an **opportunity for equitable distribution of transportation funding and has the potential to scale up to meet mitigation demand**. The U-Pass program partners with 25 colleges throughout LA County and is growing, allowing for geographic distribution of benefits throughout the county. Currently, participation includes just 1% of the 1.4 million students enrolled in post-secondary education at public institutions in Los Angeles County (ibid), allowing for scalability as the mitigation program grows.

DURATION

For how long must the project applicant participate?

The duration of project applicant participation will depend on how the VMT impact and mitigation measure is presented in their EIR, and may require performance monitoring to demonstrate VMT reduction can be maintained over time.

EXAMPLE TRANSIT PASS POTENTIAL FOR REDUCING VMT

Weekly Travel Without Transit Pass

72 miles 2 miles 0 miles

A 'hypothetical' student is mainly auto-dependent, using their car to travel between SCHOOL, WORK, their PARENTS', and HOME. Sometimes they choose to walk to nearby locations, like a LOCAL COFFEE SHOP.

Weekly Travel with New Mitigation Program-Funded Transit Pass

43 miles 0 miles 31 miles
↓-29 **↓-2** **↑+31**

The same student now has access to a **transit pass** and replaces their car commute to SCHOOL with transit, as well as trips to WORK and to nearby destinations. They still use their car on occasion for longer-distance trips.

↓-29 This reduction can be accredited to the transit pass and therefore represents the "additionality" of the program, which would not have been funded otherwise.

¹ Handbook Update Measure Quantification Methodology, ICF, 2021.

² Class Act: An Assessment of Los Angeles Metro's U-Pass Program, T. Ryan Yowell, 2019.