

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4106**

**WHEREAS**, the Merced City Planning Commission at its regular meeting of March 8, 2023, held a public hearing and considered **General Plan Amendment #23-01**, initiated by the City of Merced. The application would involve amendments to the *Merced Vision 2030 General Plan* Transportation Policy T-1.8 to require the use of Vehicle Miles Traveled (VMT) Thresholds and Guidelines when evaluating the environmental impacts of development projects under the California Environmental Quality Act (CEQA) and to adopt by reference the VMT Thresholds and Guidelines as recommended by the Merced County Association of Governments (MCAG) in November 2022; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings/Considerations A through I of Staff Report #23-181 (Exhibit A); and,

**NOW THEREFORE**, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby recommend to City Council adoption of a Statutory Exemption regarding Environmental Review #23-02, and approval of General Plan Amendment #23-01, as outlined in Exhibit B and subject to the Findings set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, and carried by the following vote:

AYES: Commissioner(s)

NOES: Commissioner(s)

ABSENT: Commissioner(s)

ABSTAIN: Commissioner(s)

PLANNING COMMISSION RESOLUTION #4106

Page 2

March 8, 2023

Adopted this 8th day of March 2023

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Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

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Secretary

Exhibits:

Exhibit A –Findings/Considerations

Exhibit B—Draft General Plan Amendment

[https://cityofmerced-my.sharepoint.com/personal/espinosak\\_cityofmerced\\_org/Documents/Documents/KIM/PROJECTS/2023/GPA #23-01 \(VMT Policy T-1-8\)/#4106 GPA#23-01-VMT.docx](https://cityofmerced-my.sharepoint.com/personal/espinosak_cityofmerced_org/Documents/Documents/KIM/PROJECTS/2023/GPA%20#23-01%20(VMT%20Policy%20T-1-8)/#4106%20GPA#23-01-VMT.docx)

**Findings and Considerations**  
**Planning Commission Resolution #4106**  
**General Plan Amendment #23-01**

**FINDINGS/CONSIDERATIONS:**

**General Plan Policies Related to This Application**

- A) The proposed General Plan Amendment would modify Transportation Policy T-1.8 and Implementing Action 1.8.a of the *Merced Vision 2030 General Plan* (on page 4-53 and 4-54 of the General Plan document) as shown in Exhibit B of the Draft Planning Commission Resolution at Attachment A of Staff Report #23-181.

**Proposed Changes to General Plan Policy (Overview)**

- B) The proposed changes to the General Plan as outlined in the Findings below. The changes are contained in the Draft at Exhibit B of Planning Commission Resolution #4106 (Attachment A of Staff Report #23-181). In general, the changes would clarify that the City of Merced would be using the Vehicle Miles Traveled (VMT) metric to evaluate the transportation impacts of development projects under the California Environmental Quality Act (CEQA) instead of Level of Service (LOS) consistent with recent amendments to State Law. The amendment would also adopt by reference the VMT Thresholds and Implementation Guidelines as adopted by the Merced County Association of Governments (MCAG) in November 2022 (Attachment B of Planning Commission Staff Report #23-181).

**Background—Use of Level of Service for CEQA Impacts**

- C) The California Environmental Quality Act (“CEQA”) was enacted by the State of California in 1970 to ensure the long-term protection of the environment and requires public agencies to analyze and disclose the potential effects of their actions on the environment. The California Governor’s Office of Planning and Research (OPR) develops the CEQA Guidelines to interpret CEQA statutes and published court decisions, including several appendices to the CEQA Guidelines that contain forms and guidance for lead agencies when performing environmental review. In order to carry out their mandate under CEQA, public agencies are encouraged to develop standards and procedures necessary to evaluate their actions including thresholds of significance. Thresholds of significance are identifiable quantitative, qualitative or performance level measures of a particular environmental effect, non-compliance with which means the effect will normally be determined to be significant, and compliance with which means the effect normally will be determined to be less than significant. In circumstances where public agencies decide to develop their own thresholds of significance for general use, the CEQA Guidelines Section 15064.7 requires that such thresholds of significance be formally adopted through a public review process and supported by substantial evidence.

- D) The City of Merced ("City"), as a lead agency on certain projects, implements CEQA. Public agencies in California including the City have historically relied on a metric known as "Level of Service" ("LOS") to evaluate the transportation impacts of development projects under CEQA. Pursuant to establishment of LOS methodology, LOS is utilized to measure automobile delay at intersections and road segments and is represented as a letter grade from A to F, where LOS A represents little to no automobile delay, while LOS F represents congestion conditions with substantial amounts of automobile delay.

#### **Changes to State Law—Use of Vehicle Miles Traveled (VMT) for CEQA Impacts**

- E) Senate Bill 743 ("SB 743"), enacted in 2013 and codified in Public Resources Code Section 21099, required changes to the CEQA Guidelines replacing LOS as the metric to evaluate transportation impacts of development projects with a more appropriate metric. In 2018, OPR proposed, and the California Natural Resources Agency certified and adopted, new CEQA Guidelines Section 15064.3 that identifies Vehicle Miles Traveled (VMT) as the most appropriate metric to evaluate a project's transportation impacts. VMT means the amount and distance of automobile travel attributable to a project. CEQA Guidelines Section 15064.3 went into effect on July 1, 2020, and pursuant to Public Resources Code section 21099(b)(2), "automobile delay, as described solely by level of service or similar measures of vehicular capacity of traffic congestion, shall not be considered a significant impact on the environment," thus eliminating LOS as a viable metric by which to evaluate the transportation impacts of development projects under CEQA. LOS remains a relevant metric with which to assess a project's impacts to traffic and consideration of a project's overall consistency with the City's General Plan, and may also be used as a tool for transportation planning and operational analysis.

#### **MCAG Adoption of VMT Thresholds and Guidelines**

- F) The Merced County Association of Governments ("MCAG"), in coordination with its consultant LSA, has created a document entitled, "VMT Thresholds and Implementation Guidelines" for its member jurisdictions in Merced County. The MCAG Governing Board approved and adopted the MCAG VMT Thresholds and Implementation Guidelines as a part of its unanimously approved consent calendar at its regularly scheduled meeting of Thursday, November 17, 2022 (Attachment B of Planning Commission Staff Report #23-181). The City wishes to adopt the MCAG VMT Thresholds and Implementation Guidelines in order to bring the City's transportation analysis methodology in line with State and City goals pursuant to SB 743.

#### **Summary of MCAG VMT Thresholds and Guidelines**

- G) The City will follow the recommendations as outlined in the MCAG VMT Thresholds and Implementation Guidelines, as amended from time to time. The core of the implementation is listed below, however the document itself should be consulted for additional detail.

The City will require VMT analysis of projects that are not screened out. Using the County of Merced as the region for analysis purposes, the MCAG Travel Demand Model is the recommended for evaluating project VMT. For all non-retail projects, the City will use a significance threshold of 86% of the existing regional average of the respective VMT metric. For retail projects, the City will use a significance threshold of no net increase in VMT. For mixed use projects, the City will use VMT thresholds based on the respective thresholds for the various land use components. For transportation projects, the City will use net increase in induced VMT as the significance threshold. Finally, for land use plans, the City will use the existing regional average VMT per capita, VMT per employee, and/or VMT per service population as the threshold of significance. A web-based tool to assist with screening is also available.

Projects within a Transit Priority Area that meet additional requirements; local-serving retail projects up to 50,000 square feet; residential, office, industrial, or mixed-use projects within low-VMT generating areas; projects with 100 percent affordable housing units; and projects that are consistent with the jurisdiction's General Plan and generate fewer than 1,000 daily trips may be screened out from the need for a VMT analysis. Additionally, projects that are not consistent with the jurisdiction's General Plan but generate fewer than 500 daily trips may also be screened out from a VMT analysis.

Several options for VMT mitigation measures for development projects, transportation projects, and plans for projects which may not meet the recommended significance thresholds are provided in the MCAG VMT Thresholds and Implementation Guidelines. Additionally, implementation of a future VMT mitigation bank, VMT mitigation exchange, and/or VMT impact fee are potential future regional VMT mitigation mechanisms. The City should continue exploring these and other options with its regional partners.

### **Time Frames**

- H) If recommended for approval by the Planning Commission on March 8, 2023, the General Plan revisions would be scheduled for a City Council public hearing on April 3, 2023. Since General Plan Amendments are adopted by Resolution, if adopted, the changes would take effect on the same day as the Council action.

### **Environmental Clearance**

- I) The Planning staff has conducted an environmental review of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a *Statutory Exemption*, pursuant to Section 15308 of the CEQA Guidelines, is being recommended (see Attachment C of Staff Report #23-181).

**Policy T-1.8**

***Use A Minimum Peak Hour Level of Service (LOS) “D” As a Design Objective for All New Streets in New Growth Areas and for Most Existing City Streets Except Under Special Circumstances and Use Vehicle Miles Traveled (VMT) for the Purposes of California Environmental Quality Act (CEQA) Analysis.***

*In order to remain in compliance with State regulations pursuant to Senate Bill 743 and CEQA Guidelines Section 15064.3, the City can no longer use LOS as a metric by which to evaluate the transportation impacts of development projects under CEQA. MCAG has adopted VMT Thresholds and Implementation Guidelines, which the City should use for its transportation analysis methodology for the impacts of development projects under CEQA.*

*The change in CEQA policy does not invalidate the use of LOS for other purposes, specifically design, traffic operations, and safety. As the City grows, traffic volumes will increase significantly. In designing the City’s future circulation system, the City has required sufficient rights-of-way be preserved to maintain an adequate level-of-service, a minimum of LOS “D” but typically LOS “C” or better. On some existing roadways, such a standard will most likely not be able to be maintained without widening these roadways and causing great disruption to adjacent properties. The City will strive to maintain the minimum LOS throughout the system, but some exceptions may need to be made.*

**Implementing Actions:**

- 1.8.a Implement the Merced County Association of Governments (MCAG) Vehicle Miles Traveled (VMT) Thresholds and Implementation Guidelines for California Environmental Quality Act (CEQA) purposes. Traffic studies will be conducted as needed to determine the traffic impacts and to apply appropriate mitigation measures for new development projects.**

*The California Environmental Quality Act (CEQA) requires cities to assess the environmental effects, including traffic impacts, of new development. Based on the conclusions of the “initial study,” the number of trips generated, or cumulative impacts, a detailed traffic analysis may be required. The City will adopt by reference and follow the recommendations as outlined in the MCAG VMT Thresholds and Implementation Guidelines, as amended from time to time.*

*In summary, the City will require VMT analysis of projects that are not screened out. Using the County of Merced as the region for analysis purposes, the MCAG Travel Demand Model is the recommended for evaluating project VMT.*

*For all non-retail projects, the City will use a significance threshold of 86% of the existing regional average of the respective VMT metric. For retail projects, the City will use a significance threshold of no net increase in VMT. For mixed use projects, the City will use VMT thresholds based on the respective thresholds for the various land use components. For transportation projects, the City will use net increase in induced VMT as the significance threshold. Finally, for land use plans, the City will use the existing regional average VMT per capita, VMT per employee, and/or VMT per service population as the threshold of significance. Certain projects may be screened out from the need for a VMT analysis.*

*Several options for VMT mitigation measures for development projects which may not meet the recommended significance thresholds are provided in the MCAG VMT Thresholds and Implementation Guidelines. Additionally, implementation of a future VMT mitigation bank, VMT mitigation exchange, and/or VMT impact fee are potential future regional VMT mitigation mechanisms. The City should continue exploring these and other options with its regional partners.*

**PROPOSED GENERAL PLAN AMENDMENT #23-01**

When the traffic analysis shows that the development will cause an intersection or roadway segment to drop below desired LOS standards, the City ~~will~~can require the new development to alleviate its share of the congestion as a condition of project approval, but not CEQA mitigation measures.

**1.8.b Use peak-hour Level of Service “D” (“Tolerable Delays”) as the design standard for new streets and intersections in new growth areas.**

The preferred LOS levels are typically “C” and “D,” particularly for larger roads and major intersections. With LOS C, the road provides stable operation but is still underutilized to some degree. LOS D represents a fine balance between the relatively large number of vehicles served and the generally acceptable level of service provided. It is the intent of the City’s standards and policies for new and most upgraded intersections and road segments to be designed and built so as not to drop below LOS D (“tolerable delay”) during peak traffic periods.

**1.8.c Establish minimum Level of Service standards for existing roadways and intersections that reflect the special circumstances of the surrounding area. For example, in the downtown area or adjacent to interchanges in build-out areas, LOS E or F would be acceptable if roadway widening conflicts with other General Plan policies or significant right-of-way acquisition, which would be severely disruptive to adjacent development, is required.**

Maintaining a LOS D on existing roadways and intersections is not always feasible, appropriate, or necessary. People may expect and tolerate varying levels of congestion depending on location (e.g. central Merced) and time of day. Heavier traffic can also be a reason to encourage greater pedestrian activity and heavier transit use in such areas. Other factors may make higher levels of service infeasible. In Central Merced, for example, widening existing streets could create great disruption to stable, older neighborhoods. In these areas, “significant delays” (LOS E) or even LOS F may have to be acceptable at peak hours. Special studies may be necessary to determine the appropriate LOS standards in such areas.

**1.8.d Promote Transportation System Management (TSM) strategies in areas where LOS standards fall below the minimum.**

Traffic signal timing or coordination, additional lanes at intersections, transit service enhancements, parking management and traffic management are all examples of transportation system management strategies which can be expected to be used in the future. Ridesharing programs, preferential treatment for High Occupancy Vehicles (HOV’s), Park-and-Ride lots, one-way streets, the provision of bicycle facilities, and the promotion of variable work hours and telecommuting are also strategies which will be promoted by the City of Merced.