

BACKGROUND

The California Environmental Quality Act ("CEQA") was enacted 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 City implements CEQA and has relied on a metric known as "Level of Service" ("LOS") to evaluate the transportation impacts of development projects under CEQA. LOS is utilized to measure automobile delay at intersections and road segments and is represented as a letter grade from A to F.

Senate Bill 743, enacted in 2013, required changes replacing LOS as the metric to evaluate transportation impacts of development projects. In 2018, new CEQA Guidelines were adopted that identifies Vehicle Miles Traveled (VMT) as that metric. 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 eliminated LOS as a viable metric under CEQA. LOS remains a relevant metric with which to assess a project's impacts to traffic, overall consistency with the City's General Plan, and as a tool for planning and operational analysis.

Proposed General Plan Amendment

- ► 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*.
- 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.
- In general, the recommended VMT Thresholds are less stringent than the State Guidelines, which is allowed since it is based on local and regional factors.

MCAG VMT THRESHOLDS & GUIDELINES

MCAG created the "VMT Thresholds and Implementation Guidelines," adopted in November 2022.

The City will use the MCAG Guidelines to require VMT analysis of projects:

- For all non-retail projects, 86% of existing regional average of the respective VMT metric.
- For retail projects, 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, net increase in induced VMT as the threshold.
- 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 which generate less daily trips may be screened out from the VMT analysis.

Several options for VMT mitigation measures for projects which may not meet the recommended significance thresholds are provided in the Guidelines. Additionally, implementation of a future VMT mitigation bank, VMT mitigation exchange, and/or VMT impact fee are potential future regional VMT mitigation mechanisms being explored.

Planning Commission Action

- On March 8, 2023, the Planning Commission held a public hearing.
- 1 Member of the Public testified in Opposition, citing excess regulation on development
- After the hearing, the Planning Commission, by a 6-0-1 vote (6 Ayes, 1 Vacancy), Recommended to the City Council Approval of:
 - ► Environmental Review #23-02 (Statutory Exemption)
 - ► General Plan Amendment #23-01

CITY COUNCIL ACTION

After the Public Hearing, the City Council should adopt a motion: