Resolution No. 9894
Resolution of the Council of the City of Palo Alto Adopting
California Environmental Quality Act (CEQA) Thresholds of Significance for
Transportation Impacts in Compliance with SB 743

RECIPIENTS

A. Senate Bill (SB) 743, signed into law in 2013 by Governor Edmund G. Brown, directed the Governor’s Office of Planning and Research (OPR) to develop updated criteria for measuring transportation impacts under the California Environmental Quality Act (CEQA) using alternative metrics that promote a reduction in greenhouse gases, the development of multimodal transportation, and a diversity of land uses, all towards achieving the State’s climate action goals.

B. OPR prepared proposed updates to the CEQA Guidelines and a Technical Advisory on Evaluating Transportation Impacts using vehicle miles traveled (VMT) as the metric to evaluate the transportation impacts of a project under CEQA. OPR’s CEQA Guidelines update was approved by the California Natural Resources Agency in November 2018 and the Governor’s Office of Administrative Law on December 28, 2018.

C. Section 15064.3 of the CEQA Guidelines, added as part of the 2018 update, identifies VMT as the most appropriate measure of transportation impacts under CEQA, and states that a project’s effect on automobile delay shall not constitute a significant environmental impact. Lead agencies are required to begin using the VMT metric by July 1, 2020.

D. The mandate on lead agencies in Section 15064.3 requires the City to update its CEQA transportation thresholds of significance.

E. CEQA Guidelines Section 15064.7(b) allows lead agencies to adopt thresholds of significance for the lead agency’s general use in its environmental review process.

F. On May 18, 2020, the Council held a study session to review the State requirements for the evaluation of projects for transportation impacts and to review the recommendations of staff and the City’s consultant Fehr & Peers regarding the revised CEQA thresholds. The Council discussed potential thresholds, screening criteria, and other matters related to the transition to use of the VMT metric for CEQA purposes, as well as the anticipated use of level of service (LOS) analysis for local transportation analysis separate from CEQA.

G. On June 15, 2020, the Council held a further public hearing on the proposed VMT thresholds of significance.

H. Notice of the project and public hearings was posted on the City’s website for both Council meetings. Evidence, both oral and written, was presented at the public hearings.
NOW, THEREFORE, the City Council of the City of Palo Alto does hereby RESOLVE as follows:

SECTION 1. The Council finds and determines, based upon staff and consultant reports and research as well as testimony in the record, that the revised CEQA thresholds of significance under consideration are consistent with State requirements as to how transportation impacts should be evaluated for purposes of CEQA review of projects. The revised thresholds are based upon the VMT metric that is specifically required in CEQA Guidelines Section 15064.3. Additionally, the City is setting the new CEQA thresholds at a level and in a manner consistent with and based upon review of OPR guidance.

SECTION 2. The adoption of new CEQA thresholds of significance for transportation impacts is consistent with the goals, objectives and policies of the Comprehensive Plan. Specifically, the new CEQA thresholds of significance for transportation impacts are consistent with Comprehensive Plan Land Use Element and Transportation Element goals and policies as follows:

i. GOAL T-1: Create a sustainable transportation system, complemented by a mix of land uses, that emphasizes walking, bicycling, use of public transportation and other methods to reduce GHG emissions and the use of single-occupancy motor vehicles.

ii. Policy T-1.3: Reduce GHG and pollutant emissions associated with transportation by reducing VMT and per-mile emissions through increasing transit options, supporting biking and walking, and the use of zero-emission vehicle technologies to meet City and State goals for GHG reductions by 2030.

iii. GOAL T-2: Decrease delay, congestion and VMT with a priority on our worst intersections and our peak commute times, including school traffic.

iv. Policy T-2.3: Use motor vehicle LOS at signalized intersections to evaluate the potential impact of proposed projects, including contributions to cumulative congestion. Use signal warrants and other metrics to evaluate impacts at unsignalized intersections.

v. Program T2.3.1: When adopting new CEQA significance thresholds for VMT for compliance with SB 743 (2013), adopt standards for vehicular LOS analysis for use in evaluating the consistency of a proposed project with the Comprehensive Plan, and also explore desired standards for MMLOS, which includes motor vehicle LOS, at signalized intersections.

vi. GOAL T-3: Maintain an efficient roadway network for all users.
vii. Policy T-3.3: Avoid major increases in single-occupant vehicle capacity when constructing or modifying roadways unless needed to remedy severe congestion or critical neighborhood traffic problems. Where capacity is increased, balance the needs of motor vehicles with pedestrians and bicyclists.

viii. Policy L-1.9: Participate in regional strategies to address the interaction of jobs, housing balance and transportation issues.

ix. Policy L-2.3: As a key component of a diverse, inclusive community, allow and encourage a mix of housing types and sizes, integrated into neighborhoods and designed for greater affordability, particularly smaller housing types, such as studios, co-housing, cottages, clustered housing, accessory dwelling units and senior housing.

x. Policy L-2.4: Use a variety of strategies to stimulate housing, near retail, employment, and transit, in a way that connects to and enhances existing neighborhoods.

xi. Program L2.4.7: Explore mechanisms for increasing multi-family housing density near multimodal transit centers.

xii. Policy L-2.5: Support the creation of affordable housing units for middle to lower income level earners, such as City and school district employees, as feasible.

xiii. Policy L-4.2: Preserve ground-floor retail, limit the displacement of existing retail from neighborhood centers and explore opportunities to expand retail.

xiv. Policy L-4.5: Support local-serving retail, recognizing that it provides opportunities for local employment, reduced commute times, stronger community connections and neighborhood orientation.

xv. Program L4.5.1: Revise zoning and other regulations as needed to encourage the preservation of space to accommodate small businesses, start-ups and other services.

SECTION 3. Based upon the foregoing, the Council hereby adopts the revised CEQA Thresholds of Significance for Transportation Impacts and Screening Criteria for the City of Palo Alto, attached hereto as Exhibit A.
SECTION 4. This project is categorically exempt in accordance with CEQA Guidelines Section 15308 (Actions by a Regulatory Agency for Protection of the Environment). The revised CEQA thresholds comply with a State mandate (SB 743) and will be used in a regulatory process that involves procedures for the protection of the environment.

INTRODUCED AND PASSED: June 15, 2020

AYES: CORMACK, DUBOIS, FILSETH, FINE, KNISS, TANAKA

NOES: KOU

ABSENT:

ABSTENTIONS:

ATTEST:

Beth Minor
City Clerk

Adrian Fine
Mayor

Sandra Lee
Assistant City Attorney

Ed Shikada
City Manager

Philip Kambli
Chief Transportation Official
EXHIBIT A

City of Palo Alto California Environmental Quality Act (CEQA)
Thresholds of Significance for Transportation Impacts

Consistent with State CEQA Guidelines Section 15064.3, the City of Palo Alto has adopted the thresholds of significance set forth in Table 1 to guide in determining when a project will have a significant transportation impact.

Table 1: VMT Thresholds of Significance by Project Type

<table>
<thead>
<tr>
<th>Land Use/Project Type</th>
<th>Threshold of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Projects</td>
<td>A proposed project exceeding a level of 15% below existing (baseline) County home-based VMT per resident may indicate a significant transportation impact.</td>
</tr>
<tr>
<td>Office Projects</td>
<td>A proposed project exceeding a level of 15% below existing (baseline) regional home-based work VMT per employee may indicate a significant transportation impact.</td>
</tr>
<tr>
<td>Retail Projects</td>
<td>A proposed project that results in a net increase in total (boundary) VMT may indicate a significant transportation impact.</td>
</tr>
<tr>
<td>Mixed-Use Projects</td>
<td>Each component of a proposed mixed-use project should be evaluated independently and apply thresholds of significance for each project type separately (i.e., residential, office, and retail).</td>
</tr>
<tr>
<td>Other Project Types</td>
<td>The City will either develop an ad hoc (i.e., project-specific) VMT threshold for a unique land use type or apply the most applicable of the above thresholds depending on project characteristics.</td>
</tr>
<tr>
<td>Redevelopment Projects</td>
<td>Where a proposed project replaces existing VMT-generating land uses, if the replacement leads to a net overall decrease in VMT, the project may cause a less than significant transportation impact. If the redevelopment project leads to a net overall increase in VMT, it may cause a significant transportation impact if proposed new residential, office, or retail land uses would individually exceed their respective thresholds.</td>
</tr>
</tbody>
</table>

Certain projects may qualify for vehicle miles traveled (VMT) screening based on the criteria presented in Table 2. Projects screened from requiring a VMT analysis would not have an impact under State CEQA Guidelines section 15064.3
### Table 2: Screening Criteria

<table>
<thead>
<tr>
<th>Land Use/Project Type</th>
<th>Screening Criteria</th>
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<tr>
<td>Small Developments</td>
<td>Projects that generate fewer than 110 trips per day. This may equate to non-residential projects of 10,000 sq. ft., or less and residential projects of 20 units or less.</td>
</tr>
<tr>
<td>Projects in Low-VMT Areas</td>
<td>Residential and office projects located in low-VMT areas(^1) that have similar features (i.e., density, mix of uses, transit accessibility) as existing developments in these areas.</td>
</tr>
<tr>
<td>Projects in Proximity to Major Transit Stops</td>
<td>Projects that are located within a half mile of an existing or planned high-quality transit corridor or major transit stations, and meet the following additional criteria: (1) is high density (minimum floor area ratio of 0.75), (2) does not exceed parking requirements, (3) is consistent with Plan Bay Area 2040 (<a href="http://2040.planbayarea.org/">http://2040.planbayarea.org/</a>), and (4) does not replace affordable units with smaller numbers of moderate- or above moderate-income units.</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>100% affordable housing projects in infill locations.</td>
</tr>
<tr>
<td>Local-Serving Retail</td>
<td>Retail projects of 10,000 sq. ft. or less.(^1)</td>
</tr>
<tr>
<td>Transportation Projects</td>
<td>Roadway, transit, bicycle and pedestrian projects that do not lead to a measurable increase in vehicle travel.</td>
</tr>
</tbody>
</table>

\(^1\) Residential projects located in areas where baseline VMT is 15% below the existing county average per resident, and office projects located in areas where baseline VMT is 15% below the existing regional average per employee could be considered to be in low-VMT areas and presumed to have a less than significant VMT impact.
Certificate Of Completion

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EnvelopedStamping: Enabled
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Signer Events
Signature
Timestamp
Sandra Lee
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Ed Shikada, City Manager
City of Palo Alto
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(Any)
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Adrian Fine
adrian.fine@cityofpaloalto.org
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Electronic Record and Signature Disclosure:
Not Offered via DocuSign
### Signer Events

| Beth Minor |
| Beth.Minor@CityofPaloAlto.org |
| City Clerk |
| City of Palo Alto |

Security Level: Email, Account Authentication (None)

Signature Adoption: Pre-selected Style
Using IP Address: 199.33.32.254

Electronic Record and Signature Disclosure:
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