



Western Riverside Council of Governments Public Works Committee

AGENDA

**Thursday, May 13, 2021
2:00 p.m.**

**Western Riverside Council of
Governments 3390 University Avenue,
Suite 200
Riverside, CA 92501**

**WRCOG's OFFICE IS CURRENTLY CLOSED TO THE PUBLIC DUE TO COVID-19
AND STAFF ARE WORKING REMOTELY**

**Members of the public are encouraged to participate in this meeting via Zoom
(see meeting information below)**

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SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19), Governor Newsom has issued Executive Order N-29-20 (issued March 17, 2020) in which Section 3 supersedes Paragraph 11 of Executive Order N-25-20 (issued on March 12, 2020). This new order states that WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. The Order allows WRCOG to hold Committee meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically.

To follow the Order issued by the Governor, the Public Works Committee meeting scheduled for Thursday, May 13, 2021, at 2:00 p.m. will be held via video and teleconference and any members of the public can attend electronically. Members of the public may send public comments by emailing snelson@wrcog.us, or calling (951) 405-6703 before or during the meeting, prior to the close of public comment.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson prior to 2:00 p.m. on May 13, 2021, at (951) 405-6703 or snelson@wrcog.us.

The Public Works Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

1. CALL TO ORDER (Sam Nelson, Chair)

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENTS

At this time members of the public can address the Public Works Committee regarding any items with the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Summary Minutes from the April 8, 2021, Public Works Committee Meeting P. 1

Requested Action: 1. *Approve the Summary Minutes from the April 8, 2021, Public Works Committee meeting.*

6. REPORTS / DISCUSSION

A. 2021 TUMF CCI Adjustment Update Ivana Medina, WRCOG P. 5

Requested Action: 1. *Recommend that the Executive Committee approve the 2021 Construction Cost Index adjustment with the continuation of the freeze on the TUMF retail fee.*

B. ITS TUMF Program Eligibility Cameron Brown, WRCOG P. 9

Requested Action: 1. *Recommend that the Executive Committee approve the addition of ITS project eligibility to the upcoming TUMF Nexus Study update.*

C. VMT Mitigation Program for Development Projects Chris Gray, WRCOG P. 11

Requested Action: 1. *Receive and file.*

D. 2020-2021 Community Transportation Needs Assessment Kyle Rodriguez, WRCOG P. 39

Requested Action: 1. *Receive and file.*

7. REPORT FROM THE DEPUTY EXECUTIVE DIRECTOR

8. ITEMS FOR FUTURE AGENDAS

Members

Members are invited to suggest additional items to be brought forward for discussion at future Public Works Committee meetings.

9. GENERAL ANNOUNCEMENTS

Members

Members are invited to announce items / activities which may be of general interest to the Public Works Committee.

- 10. NEXT MEETING:** The next Public Works Committee meeting will be held on Thursday, June 10, 2021, at 2:00 p.m., on the Zoom platform.

11. ADJOURNMENT

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1. CALL TO ORDER

The meeting of the Public Works Committee was called to order at 2:00 p.m. by Chair Sam Nelson on the Zoom platform.

2. PLEDGE OF ALLEGIANCE

Chair Nelson led members and guests in the Pledge of Allegiance.

3. ROLL CALL

Members present:

Jeff Hart, City of Beaumont
Kristine Macalma, City of Calimesa
Brad Brophy, Cities of Canyon Lake, Perris, and San Jacinto
Jimmy Chung, City of Eastvale
Steve Loriso, City of Hemet
Mike Myers, City of Jurupa Valley
Yu Tagai, City of Lake Elsinore
Carlos Geronimo, City of Menifee
Michael Wolfe, City of Moreno Valley
Bob Moehling, City of Murrieta
Sam Nelson, City of Norco, Chair
Gil Hernandez, City of Riverside
Patrick Thomas, City of Temecula
Dan York, City of Wildomar
Alvin Medina, County of Riverside
Lauren Sotelo, March JPA
Jenny Chan, Riverside County Transportation Commission
Mauricio Alvarez, Riverside Transit Agency

4. PUBLIC COMMENTS

Darci Kuenzi shared that the Riverside County Flood Control has partnered with WRCOG for the Pollution Prevention Initiative, also known as Love Your Neighborhood Program.

5. CONSENT CALENDAR *(Moreno Valley / County) 20 yes; 0 no; 0 abstention. Items 5.A was approved. Representatives from the Cities of Banning, and Corona were not present.*

A. Summary Minutes from the December 10, 2020, Public Works Committee Meeting are Available for Consideration.

Action: 1. *Approved Summary Minutes from the December 10, 2020, Public Works Committee meeting.*

6. REPORTS / DISCUSSION

A. Addition of ATP and ITS Projects to TUMF Nexus Study

Cameron Brown, WRCOG Program Manager, presented on the possibility of adding ATP and ITS projects to the Nexus Study update. WRCOG proposes adding in the Regional ATP Plan projects into

the Nexus Study as stand-alone projects. ITS projects would be an eligible expense on current TUMF projects. Adding in these projects could increase the cost of the TUMF program at the next Nexus Study Update. If approved, stand-alone ATP projects could be added through the annual TIP update. There is a small amount of VMT mitigation on these projects that can be realized for SB 743.

The Committee discussed the implications and concerns of adding these projects. Staff will be reaching out to member agencies to address any concerns and answer any questions. This item will be brought back to this Committee in the near future, with a recommendation to the Executive Committee.

Action: 1. *Received and filed.*

B. 2021 TUMF CCI Adjustment Update

Ivana Medina, WRCOG Senior Analyst, presented on the annual TUMF CCI adjustment. The CCI is an administrative element of the TUMF Program and staff is required to bring an adjustment recommendation forward on an annual basis. The intent of this element is to make sure the TUMF Program is keeping the dollar value whole. The two indexes, the Engineering News Record (ENR) CCI and the National Association of Realtors median sales prices of existing single-family homes, which the CCI adjustment is based on, increased 2% and 12%, respectively.

The next Nexus Study update will commence in the Fall of 2021. At that time, costs are evaluated, and any fee adjustments not incorporated in a CCI adjustment will be incorporated into the next fee schedule.

Action: 1. *Received and filed.*

C. 2021 TUMF Credit Agreement Template Update

Cameron Brown, WRCOG Program Manager, provided an update on the TUMF Credit Agreement Template. The main reason for the update is to include WRCOG as a third party along with the local agency and the developer. WRCOG will be able to verify TUMF obligation, the maximum TUMF share, and have a clear responsibility to reconcile completed credit agreements. Staff included that the update does not affect current agreements, only future agreements.

Action: 1. *Received and filed.*

D. SCE Charge Ready Program Update

Omar Faris, Transportation Electrification Advisor with SCE, provided an update on the Charge Ready Program. The Program will assist business and property owners with deploying the infrastructure and equipment necessary to support electric vehicle charging stations at multi-family buildings, public sector, or business locations. Applicants must meet the following requirements to receive funding under this Program: project site must be located in SCE service area, non-residential SCE customer, own, lease, manage or be the customer of record of charging site, obtain consent from property owner (if applicable) and grant easement rights to SCE.

The Program is slated to be open in July 2021. Interested agencies can sign-up at <https://pages.email.sce.com/cr2/> to receive updated information on the Program or contact their SCE account manager.

Action: 1. *Received and filed.*

7. REPORT FROM THE DEPUTY EXECUTIVE DIRECTOR

Chris Gray shared that in March he was the guest speaker on WRCOG's Future Forward series, The Future of Transportation. Mr. Gray discussed the latest trends and travel behaviors that have been influenced by the COVID-19 pandemic and what trends he thinks will stick around.

8. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

9. GENERAL ANNOUNCEMENTS

Committee member Mike Myers announced that the County of Riverside has submitted the Jurupa Valley Grade Separation project out to bid.

10. NEXT MEETING

The next Public Works Committee meeting is scheduled for Thursday, May 13, 2021, 2:00 p.m., on the Zoom platform.

11. ADJOURNMENT

The meeting of the Public Works Committee adjourned at 3:02 p.m.

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Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: 2021 TUMF CCI Adjustment Update

Contact: Ivana Medina, Senior Analyst, imedina@wrcog.us, (951) 405-6753

Date: May 13, 2021

The purpose of this item is to request a recommendation regarding the Construction Cost Index (CCI) adjustment to the TUMF schedule.

Requested Action:

1. Recommend that the Executive Committee approve the 2021 Construction Cost Index adjustment with the continuation of the freeze on the TUMF retail fee.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member agencies and the March JPA participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, the Western Riverside County Regional Conservation Authority (RCA), and the Riverside Transit Agency (RTA).

Background

Staff is required to bring annual CCI adjustment information through the WRCOG Committee structure for discussion and recommendation for consideration by the Executive Committee. The CCI is an administrative element of the TUMF Program and is intended to keep the dollar value of the TUMF Program whole. In recent years, the Executive Committee has not approved a CCI adjustment to the TUMF, except for the 2019 CCI adjustment. Staff did not bring forward a CCI adjustment in 2020 due to the COVID-19 pandemic.

Proposed CCI Adjustment to the Existing TUMF

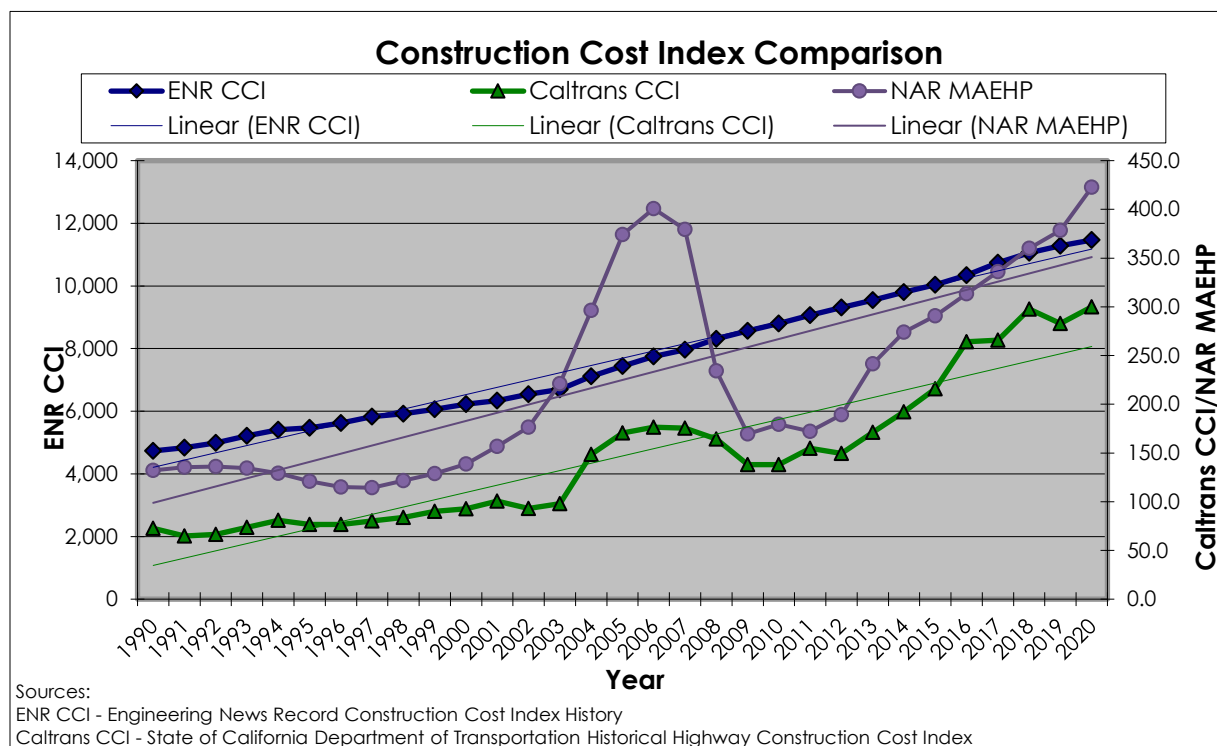
WRCOG plans to conduct a TUMF Nexus Study beginning in the fall of 2021. The Study will take anywhere from 12 - 18 months to complete and will propose a new TUMF fee structure that reflects the evaluation of the TUMF Network and project costs and current economic factors, such as construction costs. The purpose of an annual CCI adjustment consideration is to make sure the dollar value of the TUMF Program remains constant. Without these incremental adjustments based on the annual CCI evaluation, there is a high possibility that the new TUMF fee structure, as a result of the Nexus Study update, will increase dramatically compared to the current fee structure. It is staff's recommendation to adopt annual CCI's in order to keep fee adjustments incremental.

Since the adoption of the 2016 TUMF Nexus Study, construction, labor, and land costs have demonstrated an increasing trend. Though the Caltrans CCI is not a factor in determining the adjustment to the TUMF, it is shown on the below graph to demonstrate the sharp increase. Factors contributing to the increase include

tariffs and the rebounding economy placing competition on transportation construction from other sectors for materials and labor. This is intended to demonstrate the rising costs of transportation improvements in the state, including a handful of interchange projects that are currently underway in the WRCOG subregion.

The Executive Committee adopted two indices in the 2016 Nexus Study as the basis for completing CCI adjustments to the TUMF schedule of fees. The TUMF CCI adjustment is based on the percentage increase in the Engineering News Record (ENR) CCI for the 12-month period from January 2020 to January 2021, and the percentage increase in the National Association of Realtors (NAR) Median Sales Price of Existing Single-Family Homes in the Riverside / San Bernardino Metropolitan Statistical Area for the 12-month period from the 3rd Quarter of 2019 to the 3rd Quarter of 2020 (to coincide with the publication of the most recently updated index).

As depicted in the figure below, the ENR CCI has increased by approximately 2% and the NAR Median Sales Price of Existing Single-Family Homes in the Riverside / San Bernardino Metropolitan Statistical Area has increased 12%.



The table below documents the current TUMF schedule, the TUMF schedule included in the 2016 Nexus Study, and the proposed CCI adjustment. WRCOG is required, per the TUMF Administrative Plan, to present the proposed CCI adjustment for consideration by the Executive Committee each year after the approval of the Nexus Study.

Any CCI adjustment that is approved by the Executive Committee would require the adoption of a new TUMF Ordinance by member agencies in the summer / fall of 2021.

Land Use Type	Units	Current TUMF	2016 Nexus Study TUMF	CCI Adjustment
Single-Family Residential	DU	\$ 9,810.00	\$ 9,418.00	\$ 10,730.00
Multi-Family Residential	DU	\$ 6,389.00	\$ 6,134.00	\$ 6,988.00
Retail	SF	\$ 7.50	\$ 12.31	\$ 14.23 \$7.50
Service	SF	\$ 4.75	\$ 4.56	\$ 5.20
Industrial	SF	\$ 1.81	\$ 1.77	\$ 1.98

Next Steps

WRCOG is requesting a recommendation to forward to the Executive Committee for its approval at the next appropriate Executive Committee meeting. Staff will also be providing a presentation on this item at the May Technical Advisory Committee meeting. Staff notes that during the 2016 Nexus Study update process the Executive Committee approved a reduction to the TUMF retail land use fee. The reduction to the TUMF retail land use fee was in response to comments from stakeholders regarding retail developments in Western Riverside County. The Fee Analysis Study completed by WRCOG in 2017, and updated in 2019, confirmed that, on average, the impact fee costs to develop a retail project is higher in Western Riverside County than in surrounding areas. In the table above, under CCI adjustment, the actual retail fee with the CCI adjustment should be \$14.23 per square foot. It is crossed out because it is staff's recommendation to continue the retail freeze at \$7.50 per square foot.

Additionally, as part of the adoption of the 2016 Nexus Study, the Executive Committee approved a two-year freeze, followed by a two-year phase-in, to the single-family residential TUMF. The first portion of the phase-in was implemented July 1, 2019. The 2019 CCI fee adjustment was then implemented in a phase-in approach, with all land uses increased on July 1, 2020. Lastly, the single-family residential fee was raised to its full fee on January 1, 2021. A similar approach can be taken on this CCI Adjustment at the discretion of the Executive Committee.

Prior Action:

April 8, 2021: The Public Works Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: ITS TUMF Program Eligibility

Contact: Cameron Brown, Program Manager, cbrown@wrcog.us, (951) 405-6712

Date: May 13, 2021

The purpose of this item is to outline changes to the upcoming Nexus Study Update to allow Intelligent Transportation System (ITS) projects as TUMF eligible expenses.

Requested Action:

1. Recommend that the Executive Committee approve the addition of ITS project eligibility to the upcoming TUMF Nexus Study update.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member agencies and the March JPA participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, the Western Riverside County Regional Conservation Authority (RCA), and the Riverside Transit Agency (RTA).

Background

At the April 2021 Public Works Committee (PWC) meeting, staff brought forth an item for the inclusion of ITS improvements into the TUMF Program. Currently, ITS improvements are not eligible for TUMF reimbursement. Typical ITS projects include signal synchronization, ramp metering, or changeable message signs. After the discussion on this item at the April 2021 PWC meeting, and internal discussions, WRCOG is proposing ITS eligibility in two different scenarios. One for current and future projects, and one for projects on existing TUMF networks that have been built out to ultimate width.

ITS Eligibility on Current and Future TUMF Network Projects

WRCOG is proposing that for all current and future projects, ITS enhancements be considered an eligible expense for reimbursement. For example, if a road project is being widened, then the costs of laying the required network for signal synchronization could be an TUMF-eligible cost and would be reimbursed by the TUMF Program. The TUMF Administrative Plan would be updated to include these eligible costs.

ITS Eligibility on Built-Out TUMF Network

In comments provided at the April PWC meeting, and in further discussions with member agencies, it was found that ITS improvements would be a benefit for TUMF Network facilities that cannot be widened. There are several TUMF facilities that either have already been built to ultimate width or is in a location where widening is no longer feasible, such as a fully developed area. These ITS improvements could be used to

improve conditions on a corridor without an adjacent widening project. This would allow the TUMF Program to continue to benefit areas affected by growth but are unable to complete the traditional road widening improvements, as TUMF has typically funded. Where these facilities are within the TUMF Network, ITS projects would be proposed in the annual TIP update and can be allocated funding for reimbursement through the Program.

Next Steps

At this point, ITS projects are still ineligible for TUMF funding. However, if this addition is approved, staff will work to incorporate these changes into the TUMF Nexus Study update. If the update is approved by the Executive Committee, ITS projects will become an eligible expense through the TUMF Program. WRCOG is planning to conduct the Nexus Study update beginning in fall 2021 and is expecting the duration of the update to last 12 - 18 months.

Prior Action:

April 8, 2021: The Public Works Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: VMT Mitigation Program for Development Projects

Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710

Date: May 13, 2021

The purpose of this item is to provide a presentation on initial research WRCOG has conducted on a possible vehicle miles traveled (VMT) Mitigation Program or Bank strategies for development projects as it relates to Senate Bill (SB) 743 implementation.

Requested Action:

1. Receive and file.

Background

Staff brought forth a proposal to the Public Works Committee (PWC) in April 2021 for consideration regarding the eligibility of active transportation projects within the future TUMF Nexus Study. Committee members requested additional information how active transportation projects would assist in VMT mitigation for development projects. WRCOG has conducted initial research on possible VMT Mitigation Program or Bank strategies for development projects as part of its SB 743 implementation activities. This initial research is being presented to this Committee as informational and the research is provided as an attachment to this staff report.

Mitigation Strategies

During WRCOG's work on SB 743 implementation, the issue of VMT mitigation was noted to be problematic. The main reason is that most land-use projects cannot implement transportation system improvements or directly influence the travel of their occupants. In comparison, level of service (LOS)-based impacts are relatively easy to mitigate since payment of fees for improvements or construction of improvements, or some combination thereof, are appropriate mitigation. This approach has been used for decades and is well understood by applicants, environmental and traffic consultants, attorneys, agency staff, and elected officials.

To illustrate this problem, consider a hypothetical project of 1,000 single-family homes. Under a traditional analysis approach, a traffic study would be performed. This traffic study would quantify the number of vehicles traveling to and from this proposed project. Let us further assume that the incremental traffic from these new homes cause a roadway to exceed an adopted LOS threshold, causing an impact. Then let us further assume that this LOS-impact requires widening the roadway. The applicant is then asked to either contribute to the cost of widening the roadway or completing a widening of the roadway. This requirement might then be incorporated into the project's environmental document, a development agreement, conditions of approval, or other appropriate documents related to the entitlement process.

As a comparison, consider how these 1,000 single-family home projects might fare under a VMT analysis approach. A traffic study would again be required but instead this analysis would evaluate impacts against a VMT threshold. For comparison purposes, let's assume again that this analysis concludes that the project

exceeds a VMT threshold. Mitigation then is not simply a matter of widening a roadway. Instead, appropriate mitigation measures could include purchasing transit passes for employees, improving bicycle / pedestrian facilities, or funding improvements to the regional bus network. In theory, the mitigation process would be similar to how typical LOS mitigation measures are implemented. However, that is rarely the case. Some potential issues include:

- If bus passes were purchased, who would distribute them? Many developments are built by a large home builder but then managed through a Homeowners Association (HOA). Additionally, transit ridership in many areas is limited, meaning that transit passes might not even be used.
- Adding a bicycle lane or other bicycle facilities by themselves are not likely to shift drivers to become bicyclists unless it is part of a larger network of bicycle facilities.
- Funding improvement to regional bus facilities might have some benefit; however, many transit agencies do not regularly accept mitigation payments from projects and may not have the processes and procedures in place to accept, allocate, and track such funds.

The main issue is that VMT is ultimately a regional, not local, concern. VMT is a function of the intensity of use, type of use, and location.

Recognizing the complexity of this issue, WRCOG evaluated other potential mitigation approaches. Three options evaluated were:

1. Fee-based approach.
2. Mitigation bank.
3. Exchange.

Each of these options are discussed in further detail below.

A fee approach is simply that, a fee which mitigates a project's impacts. Under this approach, a project would pay a fee that would fund regional transit, bicycle / pedestrian, and other travel demand management strategies. A fee approach would be mandatory, and all development projects would be required to pay this fee approach if implemented. Once the fees were collected, they would be distributed to agencies which are constructing or implementing these improvements. A VMT mitigation fee would require the preparation of a Nexus Study and adoption of a fee, like how TUMF is implemented.

A mitigation bank uses an approach to quantify the cost of VMT improvements and project applicants can choose to purchase VMT credits from the bank. The types of projects funded by a bank would be like those in a fee program. A mitigation bank is different than a fee in two ways. First, a mitigation bank would ultimately be optional, not mandatory like a fee. Second, a mitigation bank requires a quantification process to estimate the value of a unit of VMT.

A VMT exchange is like a bank but does not have a set cost for VMT reducing improvements. Under this approach, a project applicant goes to the exchange and requests a certain amount of VMT reduction. A coordinating entity, usually the exchange administrator, then matches that applicant with agencies that are producing VMT reductions. The exchange differs from a VMT bank in that there is no fixed cost for a VMT mitigation.

Prior Action:

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

1. VMT Mitigation White Paper.

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Item 6.C

VMT Mitigation Program for
Development Projects

Attachment 1

VMT Mitigation White Paper

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APRIL 2020 | FINAL

VMT Mitigation Through Fees, Banks, & Exchanges

UNDERSTANDING NEW
MITIGATION APPROACHES

A WHITE PAPER PREPARED BY

FEHR  PEERS





VMT MITIGATION THROUGH FEES, BANKS, AND EXCHANGES

Understanding New Mitigation Approaches

BACKGROUND

On September 27, 2013, Governor Jerry Brown signed SB 743 into law and started a process intended to fundamentally change transportation impact analysis as part of CEQA compliance. These changes include elimination of *auto delay*, *level of service (LOS)*, and *other similar measures of vehicular capacity or traffic congestion* as a basis for determining significant impacts. Instead, transportation impacts will be determined based on changes to vehicle miles of travel (VMT). ***This change essentially shifts the focus of analysis from impacts to drivers through higher delays to the impact of driving itself.***

Lead agencies making the transition to VMT are realizing the challenges of using the new metric especially when it comes to mitigating significant VMT impacts. Reducing VMT from land use projects and land use plans has traditionally been accomplished through transportation demand management (TDM) strategies. These strategies include modifying a project's land use characteristics (i.e., density) and incorporating vehicle trip reduction programs at the site to change travel behavior of tenants and visitors. TDM is most effective in urban areas where the site is accessible by multiple travel modes (i.e., walking, bicycling, transit, and vehicle) offering similar travel times and convenience. Conversely, TDM strategies are less effective in lower density suburban and rural areas where modes are limited to personal vehicles. In both areas though, a program-based approach to mitigation can be more effective than project-site strategies. Programs can pool development mitigation contributions to pay for larger and more effective VMT reduction strategies that are not be feasible for individual projects. This paper outlines and compares multiple program types and then explains the implementation steps and key governance issues.

PROGRAM CONCEPTS

The concept of a 'program' approach to impact mitigation is not new and has been used for a variety of technical subjects including transportation, air quality, greenhouse gases, and habitat. Transportation impact fee programs have been used to help mitigate cumulative level of service (LOS) impacts. What is new are how to use impact fee programs for VMT impacts and alternative programs called mitigation exchanges and banks. Absent new program-level mitigation options, suburban and rural lead agencies will have limited feasible mitigation options for project sites.

For CEQA purposes, feasible means "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors."

- CEQA Guidelines Section 15364

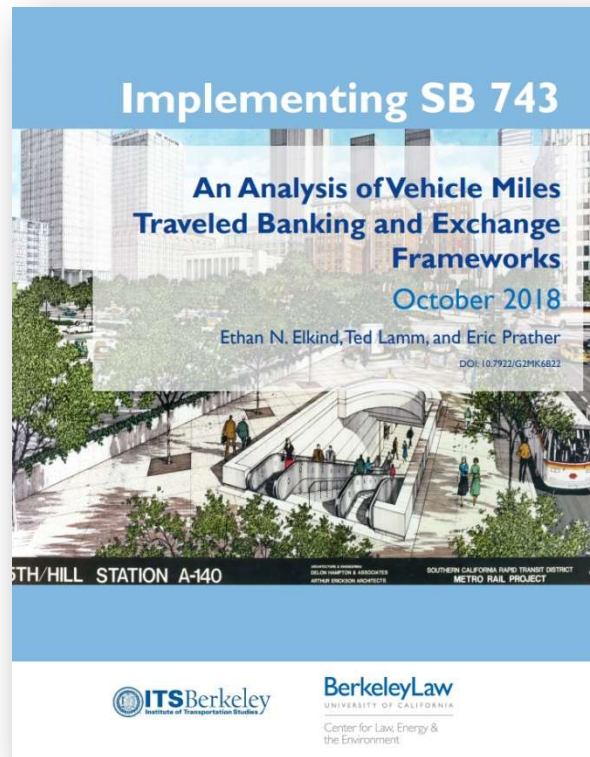


Without feasible mitigation, significant VMT impacts would be significant and unavoidable (SAU). Under these circumstances a project must prepare an environmental impact report (EIR) adding extra time and cost to environmental review compared to a negative declaration (ND). Program-based approaches may be able to overcome the limitation of project-site only mitigation. Three specific concepts as described below have been identified for the purposes of this white paper.

- **VMT-based Transportation Impact Fee program (VMT-TIF)** – The first program concept is a traditional impact fee program in compliance with the mitigation fee act. The nexus for the fee program would be a VMT reduction goal consistent with the CEQA threshold established by a lead agency for SB 743 purposes. The City of LA is the first in California to complete a nexus study for this type of program. The main difference from a fee program based on a metric such as vehicle level of service (LOS) is that the VMT reduction nexus results in a capital improvement program (CIP) consisting largely of transit, bicycle, and pedestrian projects. These types of fee programs are time consuming to develop, monitor, and maintain but are recognized as an acceptable form of CEQA mitigation if they can demonstrate that the CIP projects will be fully funded and implemented.
- **VMT Mitigation Exchange** – In simple terms, the exchange concept relies on a developer agreeing to implement a predetermined VMT reducing project or proposing a new one. The project may be located in the vicinity of the project or elsewhere in the community, and possibly outside the community. The exchange needs to have a facilitating entity that can match the VMT generator (the development project) with a VMT reducing project or action. The facilitating entity could be the lead agency or another entity that has the ability to provide the match and to ensure through substantial evidence that the VMT reduction is valid. A key unknown with this approach is the time period for VMT reduction. For example, how many years of VMT reduction are required to declare a VMT impact less than significant?
- **VMT Mitigation Bank** – A mitigation bank attempts to create a monetary value for VMT reduction such that a developer could purchase VMT reduction credits. The money exchanged for credits could be applied to local, regional, or state level VMT reduction projects or actions. Like all VMT mitigation, substantial evidence would be necessary that the projects covered by the bank would achieve expected VMT reductions and some form of monitoring may be required. This is more complicated than a simple exchange and would require more time and effort to set up and implement. The verification of how much VMT reduction is associated with each dollar or credit would be one of the more difficult parts of the program.

With both exchanges and banks, another important test is that the VMT reduction would not have occurred otherwise such that mitigation program creates 'additionality'. This means that additional VMT reduction will occur above and beyond what would have occurred without the program. A commonly accepted definition of 'additionality' has not yet been developed. One possible test of additionality is that the mitigation project is not included in the regional transportation plan (RTP). The RTP is a financially constrained plan so projects not included in the plan would not likely have been implemented within the typical cumulative timeframe.

For any program to qualify as a CEQA mitigation program, the discretionary action to adopt the program may require CEQA review. This conclusion is based on the *California Native Plant Society v. County of El Dorado* where the court found that payment of fee does not presumptively establish full mitigation of a discretionary project. A separate CEQA review of the program is necessary to satisfy the 'duty to mitigate' imposed by CEQA. Decision makers should also realize that absent a VMT reduction program, developers would likely be limited to only project site mitigation. While this may be less effective, it also lowers their mitigation costs because the available and feasible mitigation would be more limited.



<https://www.law.berkeley.edu/research/clee/research/climate/transportation/vehicle-miles-traveled/>

More details about exchanges and banks are explained in the framework document shown above and available at the cited web link. This white paper expands on the framework to accomplish two objectives. The first objective is to compare the pros and cons of exchanges and banks to a traditional impact fee program. Since impact fee programs have already been established as feasible CEQA mitigation, they serve as a benchmark against which to compare other program concepts. The second objective is to outline the implementation steps associated with creating an exchange or bank to help identify key implementation questions or issues that could affect their feasibility.

PROGRAM ASSESSMENT (Pros/Cons)

Table 1 below outlines the pros and cons of approach VMT mitigation through an impact fee program, exchange, or bank. This assessment is intended to highlight some of the key differences between each program concept.

Table 1 – VMT Mitigation Program Type Comparison		
Program Type	Pros	Cons
Impact Fee Program	• Common and accepted practice • Accepted for CEQA mitigation • Adds certainty to development costs • Allows for regional scale mitigation projects • Increases potential VMT reduction compared to project site mitigation only	• Time consuming and expensive to develop and maintain • Requires strong nexus • Increases mitigation costs for developers because it increases feasible mitigation options • Limited to jurisdictional boundary unless a regional authority is created • Uncertainty about feasibility and strength of nexus relationship between VMT and pedestrian, bicycle, and transit projects (especially in suburban/rural jurisdictions)
Mitigation Exchange	• Limited complexity • Reduced nexus obligation • Expands mitigation to include costs for programs, operations, and maintenance • Allows for regional scale mitigation projects • Allows for mitigation projects to be in other jurisdictions • Increases potential VMT reduction compared to project site mitigation only	• Requires 'additionality' • Potential for mismatch between mitigation need and mitigation projects • Increases mitigation costs for developers because it increases feasible mitigation options • Unknown timeframe for mitigation life • Effectiveness depends on scale of the program
Mitigation Bank	• Adds certainty to development costs • Allows for regional scale projects • Allows for mitigation projects to be in other jurisdictions • Allows regional or state transfers	• Requires 'additionality' • Time consuming and expensive to develop and maintain • Requires strong nexus • Political difficulty distributing mitigation dollars/projects

Table 1 – VMT Mitigation Program Type Comparison		
Program Type	Pros	Cons
	• Expands mitigation options to include costs for programs, operations, and maintenance • Increases potential VMT reduction compared to project site mitigation only	• Increases mitigation costs for developers because it increases feasible mitigation options • Unknown timeframe for mitigation life • Effectiveness depends on scale of the program

To better understand potential program differences, Table 2 contains a comparison of the VMT mitigation projects or actions that each program type could fund or implement. The information for an impact fee program is more certain than for exchanges or banks. Fee programs have been used in practice for decades and have been vetted through court decisions. While banks and exchanges do exist for other environmental mitigation purposes such as wetlands preservation and habitat conservation, these applications have largely focused on protecting fixed land amounts versus reducing a metric that fluctuates over time and may vary in value depending on economic conditions.

Table 2 –VMT Mitigation Projects and Actions Comparison	
Program Structure	Project Types that Reduce VMT
Impact Fee Program	• Pedestrian network expansion • Bicycle/Scooter network expansion (includes bike/scooter share stations) • Transit vehicles or facilities associated with service expansion • Roadway gap closures that reduce trip lengths (bridges)
Mitigation Exchange	• All impact fee program project types • Private or institutional projects that reduce VMT • Transit service improvements and transit pass subsidies
Mitigation Bank	• All impact fee program project types • All mitigation exchange project types • VMT reduction strategies associated with travel behavior changes



IMPLEMENTATION STEPS

This section addresses the second objective noted above to outline the implementation steps associated with creating an exchange or bank to help identify key implementation questions or issues that could affect their feasibility. The starting point for these steps begins with identifying the potential statutory or legal requirements that could govern or influence program creation. These are highlighted in Table 3 and build on the research previously done by U.C. Berkeley in the document referenced above. Since specific statutes do not exist specific to VMT exchanges and banks, U.C. Berkeley used a proxy based on conservation programs established under the California Fish & Game code. This is a reasonable proxy given that the intent behind VMT exchanges and banks is a form of conservation. Instead of habitat, VMT exchanges and banks are trying to conserve vehicle trip making and the VMT generated through this activity. VMT mitigation banks or exchanges do not appear to require new legislative authority but as noted in the U.C. Berkeley document, having state-wide templates for their development could help establish clear standards and expectations for program designs.

Table 3 – Potential VMT Mitigation Exchange/Bank Legal Requirements	
Program Type/Legal Requirements	Statutory Reference
Transportation Impact Fee Program	
1. Mitigation Fee Act – Intended to create a program that allows individual development projects to pay for all or portion of the cost to implement public facilities necessary to support the project. Public facilities are generally limited to capital projects. The nexus study for the program must demonstrate how there is a reasonable relationship between the following. • How there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. • How there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. • How there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. The fees may not be applied to existing deficiencies or the maintenance and operation of an improvement. As such, clear standards should exist about the physical and operational performance expectations for each model of travel included in the program.	• California Government Code §66000-66001

Table 3 – Potential VMT Mitigation Exchange/Bank Legal Requirements

Program Type/Legal Requirements	Statutory Reference
2. Constitutional – Court decisions have placed limits on what level of mitigation can be expected of land use development projects. The limits largely require a nexus between the mitigation and a legitimate government interest plus a rough proportionality between the mitigation and the adverse impact caused by the project.	• Nollan v. California Coastal Commission, 483 U.S. 825 (1987) • Dolan v. City of Tigard, 512 U.S. 374 (1994)
3. CEQA – For mitigation to be imposed, a significant impact must occur. Impacts stem from changes to the baseline environment caused by the project. The significance of those impacts is determined by the lead agencies choice of thresholds. This limits mitigation to increment of VMT change that occurs above the threshold.	• CEQA Statute (CA Public Resources Code 21000-21189) • CEQA Guidelines (CA Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387)
VMT Mitigation Exchange or Bank	
1. An explanation of the VMT mitigation purpose of and need for the bank or exchange.	• Fish & Game Code §1852(c)(1)
2. The geographic area covered by the bank or exchange and rationale for the selection of the area, together with a description of the existing transportation and development dynamics that provide relevant context for the development of the bank or exchange.	• §1852(c)(2)
3. The public transit and VMT reduction opportunities currently located within the bank or exchange area.	• §1852(c)(3)
4. Important residential and commercial communities and transportation resources within the bank or exchange area, and an explanation of the criteria, data, and methods used to identify those important communities and resources.	• §1852(c)(4)
5. A summary of historic, current, and projected future transportation stressors and pressures in the bank or exchange area, including economic, population growth and development trends.	• §1852(c)(5-6)
6. Provisions ensuring that the bank or exchange will comply with all applicable state and local legal and other requirements and does not preempt the authority of local agencies to implement infrastructure and urban development in local general plans.	• §1852(c)(7)
7. VMT mitigation goals and measurable objectives for regional transportation resources and important mitigation elements identified in the plan that address or respond to the identified stressors and pressures on transportation within the bank or exchange area.	• §1852(c)(8)

**Table 3 – Potential VMT Mitigation Exchange/Bank Legal Requirements**

Program Type/Legal Requirements	Statutory Reference
8. VMT mitigation projects, including a description of specific projects that, if implemented, could achieve the mitigation goals and objectives, and a description of how the mitigation projects were prioritized and selected in relation to the mitigation goals and objectives.	•§1852(c)(9)
9. Provisions ensuring that the bank or exchange plan is consistent with and complements any local, regional or federal transportation or congestion management plan that overlaps with the bank or exchange area, a summary of any such plans, and an explanation of such consistency.	•§1852(c)(10-11)
Sources: <u>Implementing SB 743 An Analysis of Vehicles Miles Traveled Banking and Exchange Frameworks</u> , October 2018, Institute of Transportation Studies, U.C. Berkeley. <u>2019 California Environmental Quality Act (CEQA) Statute & Guidelines</u> , Association of Environmental Professionals, 2019. http://leginfo.ca.gov/ http://ccr.oal.ca.gov/	

A review of these potential legal requirements suggests that the creation of an exchange or a bank may not be less rigorous than that of a conventional transportation impact fee program. These legal requirements combined with the need to demonstrate additionality and provide verification could create implementation costs beyond those of a conventional transportation impact fee program. To explore this issue further, annotated flow charts were developed for each program concept. These flow charts are presented on the following pages and allow a reviewer to quickly surmise the differences and similarities associated with creating, operating, and maintaining these programs.

VMT Bank

Implementation

Step 1 Determine Scale/Scope

Step 2 Determine Sponsor

Step 3 Formally Establish Bank & Review Team

Step 4 Determine & Prioritize Mitigation Options

Step 5 Administer Bank

Considerations

There are advantages and disadvantages to creating a Bank with a larger scale/scope. However, multiple agencies must be willing to accept the Bank's mitigation options for a state or regional Bank to be feasible. Larger regions can:

- *Decrease costs associated with running the Bank
- *Decrease local authority over mitigation options
- *Increase efficiency and effectiveness of the program

There are a few organizational components to consider when creating a mitigation Bank. These elements include:

- *Administrative - The Bank must perform several administrative functions such as collecting fees, managing information, answering questions, and other business operations.
- *Technical - There is a significant amount of technical work needed to initially and continually prove the mitigation options reduce VMT and that the reductions would not have occurred without the programs. The Bank also needs to show the fees it receives are related and proportional to new development.
- *Accounting - The Bank requires a thorough accounting system to track collected fees and to ensure fees are being handled according to CEQA and other legal guidelines. This includes payments for implementing VMT reduction projects.

Agencies should consider their ability to perform these roles when deciding whether the Bank should be run internally or by a third party.

The entity creating the Bank must legally formalize its creation. If the intent is for the Bank to be used by multiple agencies, this may require a joint powers authority or equivalent.

A review team should be used to verify the effectiveness of mitigation options based on substantial evidence. This team could be internal to the entity creating the bank or an independent third party.

Potential third party entities that could function as a review team include public agencies such as those listed below.

- *Caltrans - local office
- *ARB
- *CalEPA

The Bank Sponsor creates a list of mitigation options. The Review Team evaluates the list to ensure it complies with relevant requirements. The Sponsor should consider the following elements when prioritizing options:

- *Equity
- *Timeliness of Implementation
- *Cost

Mitigation options can include:

- *Infrastructure projects
- *Programs/incentives (Unlike infrastructure projects, programs/incentives are ongoing activities. Because programs/incentives must be continually maintained to be effective, agencies should consider if developers must pay for them indefinitely.

The public agency or entity sponsoring a Bank may not always be the lead agency on a project. In this situation the Sponsor should develop an agreement with the lead agency that allows the Bank's mitigation options to be considered an acceptable mitigation measure for the EIR.

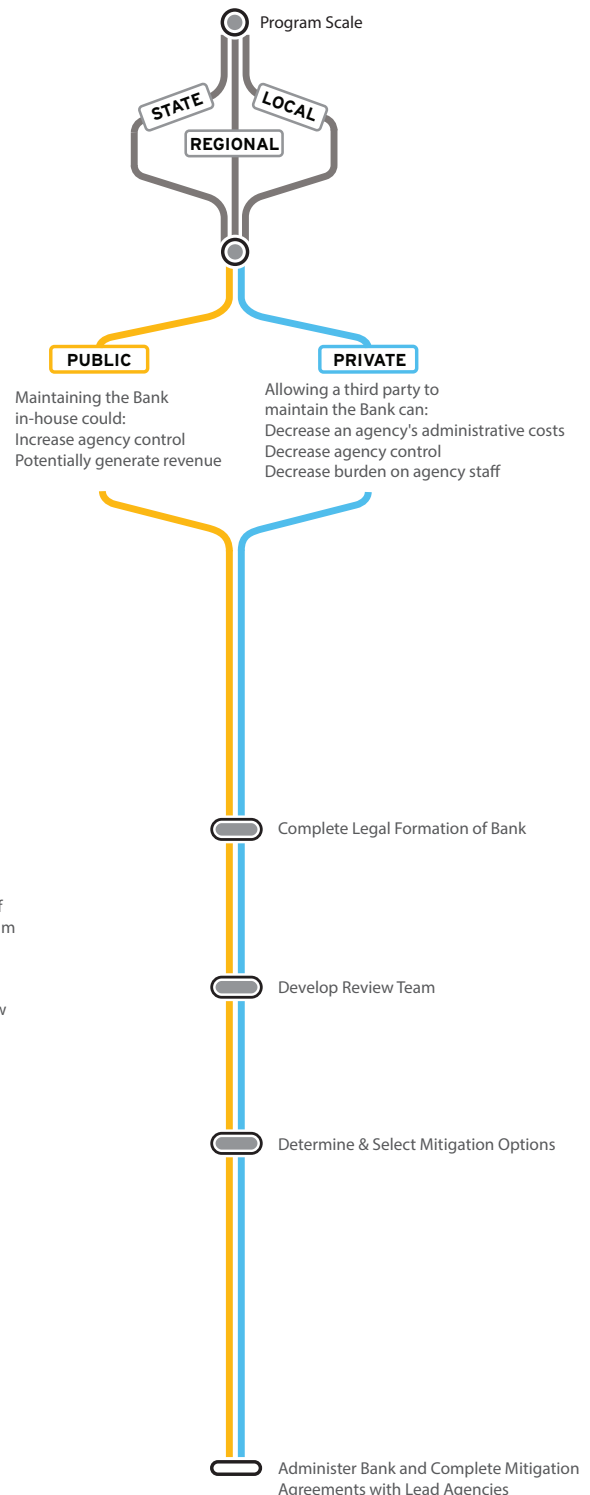
Banks must continue to prove that their mitigation options reduce VMT and that the reduction would not have occurred without the projects/programs.

CEQA review of the Exchange creation may be required to be considered as a formal mitigation program.

Procedural Flowchart



Decision Analytical process or procedural outcome



VMT Exchange

Implementation

Step 1 Determine Scale/Scope

Step 2 Determine Sponsor

Step 3 Determine & Propose Mitigation Options

Step 4 Develop Review Team

Step 5 Administer Exchange

Considerations

To create a regional program requires all participating agencies to adopt the program. Programs with larger scopes can:

- *Decrease administrative costs
- *Decrease local authority
- *Increase efficiency and effectiveness of the program

The organizational components of a mitigation Exchange will depend on the type of sponsor (public or private) mitigation options, and matching process between mitigation options and projects.

If the sponsor is a public agency, they will develop a list of options developers can choose from to mitigate the VMT generated by their development.

If the developer wants to propose their own mitigation Exchange, they must get it approved by the sponsor and lead agency.

The Exchange should have a Review Team to verify mitigation effectiveness and additionality based on substantial evidence. The team could consist of third-party representatives. The team reviews the mitigation list and verifies that the options reduce VMT and that the reductions would not have occurred without the project, program, or incentive.

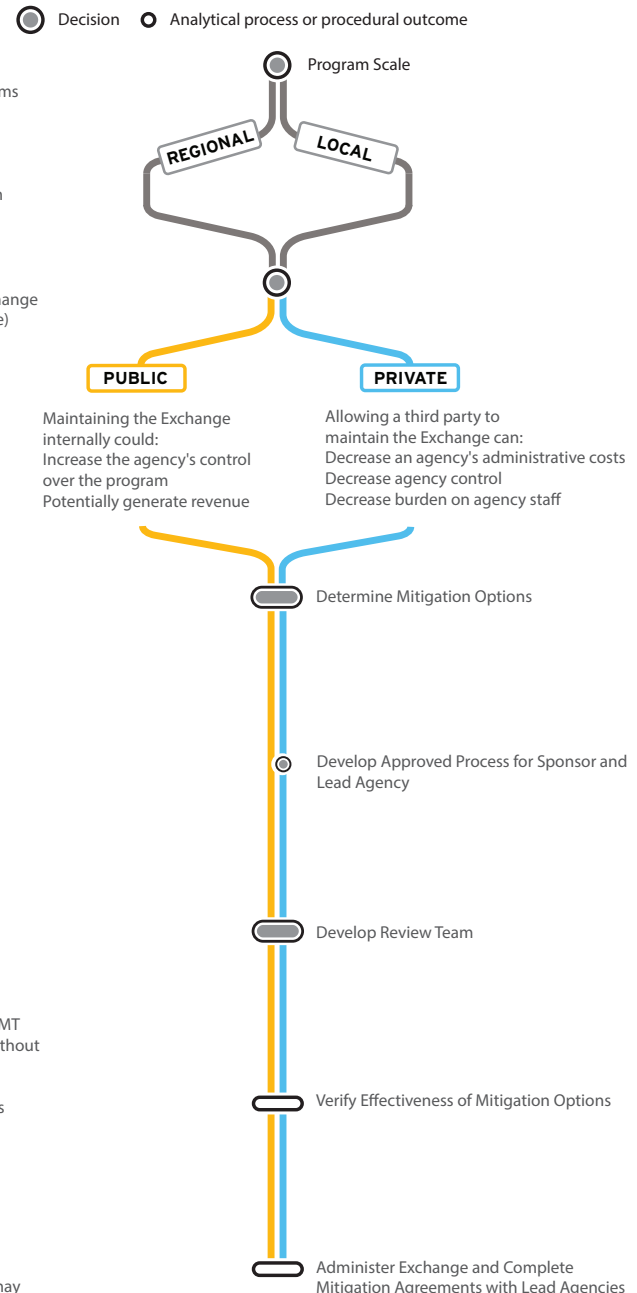
Because Exchanges can include programs/incentives as mitigation options, the Review Team must continually evaluate them to ensure the options are still effective and determine to what degree they reduce VMT.

The public agency/entity sponsoring an Exchange may not always be the lead agency on a project. In this situation the Sponsor should develop an agreement with the lead agency that allows the Exchange's mitigation options to be considered an acceptable mitigation measure for the EIR.

Exchanges must continue to prove that their mitigation options reduce VMT and that the reduction would not have occurred without the projects/programs.

CEQA review of the Exchange creation may be required to be considered as a formal mitigation program.

Procedural Flowchart



VMT Impact Fee

Implementation

Step 1
Determine
Scale/Scope

Step 2
Determine Nexus
(VMT)

Step 3
Determine & Propose
Mitigation Options

Step 4
Prepare & Approve
Nexus Study

Step 5
Prepare & Adopt
Fee Ordinance

Step 6
Complete CEQA
Review for the
Program

Step 7
Administer the
Program

Considerations

To create a regional program requires all participating agencies to adopt the program. Programs with larger scopes:

- *Decrease administrative costs
- *Decrease local authority
- *Increase efficiency and effectiveness of the program

An agency must determine its VMT reduction goal before it can show the relationship between new development and that goal.

The CIP develops a list of capital improvement projects necessary to reduce VMT consistent with its desired goal. The agency should prioritize the projects so they are constructed in a logical order.

The prioritization process should consider:

- *Equity
- *Timeliness
- *Cost
- *Modal Preference (Walking/Biking/Transit)
- *Stakeholder/Community Input

Agencies must demonstrate that the projects in the fee program contribute to VMT reduction. The agency must also show that the fees are related and proportional to new development.

Fees should take into account the delay in the time when fees are collected and when they are used.

For a fee to be regularly imposed, it must be adopted as an ordinance.

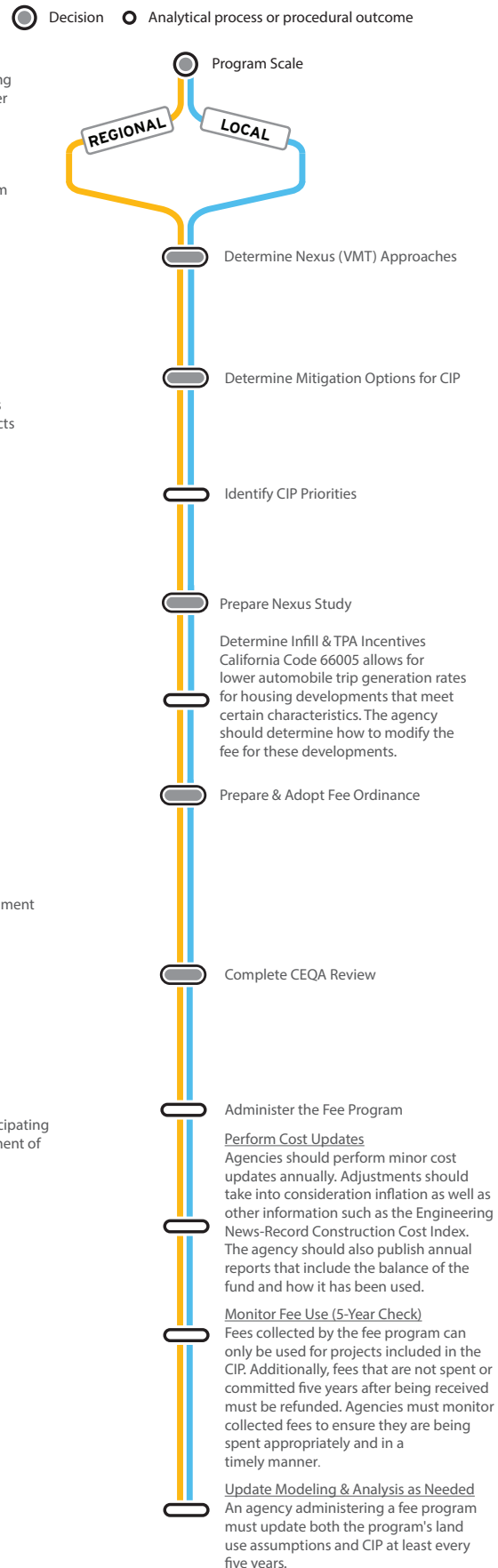
The ordinance must include:

- *Reason for the fee
- *The relationship between the fee and new development
- *Methodology used in developing the fee
- *Projects to be included in the CIP

California courts have ruled that in order for a fee program to serve as acceptable CEQA mitigation, the program itself must first be reviewed in an EIR.

For Regional Impact Fee Programs ensure that participating agencies have adopted the program such that payment of fees is considered a feasible mitigation measure.

Procedural Flowchart





PROGRAM EXAMPLES

To help explain the different program types, it may be useful to consider some examples. The existing programs below range from an existing VMT-based impact fee program to programs that could be evolved into VMT mitigation banks or exchanges.

City of Los Angeles Westside Mobility Plan Transportation Impact Fee Program

(<https://planning.lacity.org/eir/CoastalTrans/deir/pdfs/tiafeestudy.pdf>)

The City of Los Angeles developed the first impact fee program that relies on a VMT reduction nexus. The westside previously relied on LOS-based impact fee programs but as the area matured and new laws like SB 743 emerged, the City chose to shift their nexus. This shift changed the nature of the CIP from largely roadway capacity expansion projects to more transit, bicycle, and pedestrian infrastructure projects. A key benefit of this approach as noted above is that once the fee program is in place, administration of the program is limited to construction cost updates and complying with state reviews to ensure that funding is being appropriately used to construct and implement the CIP projects. No further verification of CIP effectiveness is required.

WRCOG Transportation Uniform Mitigation Fee (TUMF) Program

(<http://www.wrcog.cog.ca.us/174/TUMF>)

Western Riverside County has the Transportation Uniform Mitigation Fee (TUMF) Program, implemented in 2003. While this program is tied to a vehicle LOS nexus, the foundation and structure of the program could be used to create a new VMT impact fee program similar to the Los Angeles example. The following summary describes the foundational elements of the TUMF and provides information about how to evolve the program for VMT impact mitigation purposes.

The TUMF funds critical county-wide transportation infrastructure to accommodate the traffic created by new population growth and commercial development throughout western Riverside County. It is a vital funding source that complements Federal, State, and local funding funds for improvements to roadways, interchanges, and transit facilities. The fee is uniformly assessed on new residential and non-residential development throughout the WRCOG region. Each of WRCOG's member jurisdictions and the March Joint Powers Authority (JPA) participate in the program.

WRCOG serves as the Program Administrator and has three main responsibilities. First, WRCOG leads the development of regular AB 1600 compliant Nexus Studies. These Studies identify needed the transportation facilities to be funded by the fee, identify future growth projections, and set the resulting



fee, which is then adopted by WRCOG's Executive Committee. The transportation projects included in the Nexus Study are identified through a collaborative process in which jurisdictions submit projects for consideration, which are then subject to an analysis process to verify that they meet applicable criteria. These two-step process ensures that the projects included in the Nexus Study reflect both local input and regional need. A similar process could be used to create a VMT reduction nexus and to select VMT reducing projects for either a separate VMT impact fee program or a modified TUMF that includes projects to achieve LOS and VMT reduction goals.

WRCOG's second responsibility is the collection and calculation of fees. WRCOG has developed a set of consistent fee calculation tools, which ensure that TUMF is calculated on a consistent basis for all projects, regardless of their location. Because there is a regional Nexus Study and a consistent fee calculation approach, WRCOG ensures that all projects of the same type pay the same fee, regardless of their location. In 2019, WRCOG completed work on an online fee payment system which expedites fee payments from project applicants.

The final responsibility of WRCOG is distributing funds collected from each agency and using those monies to fund transportation projects. Project identification and prioritization is led by the local agencies who meet to decide how much funding to provide to each project. Local agencies are grouped into geographic sub areas known as TUMF Zones. Each TUMF Zone is allocated a budget of anticipated revenues, which are then distributed through a consensus-based approach. WRCOG then provides reimbursements to each agency as work occurs. WRCOG's facilitates this process and also reviews invoices to ensure that funds in a manner which is consistent with program requirements.

Miles

(<https://www.sacrt.com/apps/miles-get-rewarded-for-your-commute-travel/>)

The City of Sacramento, Sacramento Regional Transit, and Sacramento State partnered with Miles, a new app that will rewards users with redeemable miles for their commute and travel. The redeemable miles can be exchanged for exclusive experiences, products and services with vendors including Ray-Ban, Illy, Audible, and Rockport. Miles app users automatically earn miles for daily travel and receive bonus miles for green trips (walk, bike, carpool or transit). Sacramento residents are also eligible to complete special challenges to earn additional rewards. While this program was not set up as an VMT mitigation exchange or bank, it could evolve into one.

The purpose of rewarding green trips and the special challenges is to influence user behavior to reduce vehicle trips and VMT. With some additional accounting of user travel behavior before and after using the app, enough substantial evidence could be created to provide the VMT reduction verification described above and noted in the flow charts. The program already has administrative functions developed and



established relationships between the partner agencies. Some of the unknowns at this time are listed below.

- cost of the program on a per user basis
- amount of VMT reduction that is achieved for a typical user
- how a developer could contribute to the program to sponsor additional users
- stability or permanency of VMT reductions dependent on 'challenges'

In addition to the Miles program, other similar vendors exist such as Luum (<https://luumbenefits.com/>) and Metropia (<https://www.metropia.com/>). These types of app-based vendors could evolve to offer exchange or bank type mitigation options if they can comply with the various requirements outlined in the implementation steps and identified in the U.C. Berkeley white paper cited above.

Metro Transit Pass Subsidy

Metro is the Los Angeles County mobility provider. One of the programs they currently offer is a transit pass subsidy with a couple of unique elements that may qualify it as a VMT mitigation exchange. Metro offers student and employee transit passes under their U-pass and E-pass programs. These are transit passes for students and employees in LA County that are unique because instead of a physical transit pass card, the pass comes in the form of an RFID chip with an antenna that sticks to an existing student or employee identification badge. This type of chip allows the transit agency to charge for trips when they are made, which is more cost-effective for schools and employers. The registration form for obtaining the pass includes a survey about current travel behavior and data such as the distance between home and school or work for the applicant. By tracking how individual travel behavior changes from this baseline condition over time, LA Metro can produce aggregate statistics about the effect on transit ridership and VMT.

The second unique component of the program is that Metro allows anyone to 'sponsor' these passes for a particular school or employer. As such, they are entertaining the concept of using the program as an SB 743 VMT mitigation exchange. Developers could purchase U- or E-passes and could use the Metro performance data to estimate the VMT reduction per pass. LA Metro is working with LA DOT and SCAG on a pilot concept this year to formalize the program. As part of this white paper development, we asked Metro if developers/agencies outside Los Angeles County could participate. The reason for this request is that VMT mitigation dollars spent on Metro transit passes may be more effective than the same dollars spent in other communities. Whether local communities would be willing to allow mitigation dollars across borders will likely depend on a variety of factors but knowing that it is feasible on the Metro end is an important first feasibility question. Metro replied that their work has not progressed sufficiently to answer this question yet.



Expanded Public Agency Telecommute Bank

With increased telecommuting during the COVID-19 shelter-in-place order, public agencies may decide to permanently expand their telecommuting offerings to employees. When making that decision, these agencies could 'bank' the commute VMT savings from each employee into a mitigation program. The agency would then have the option to allocate the VMT savings to individual development or transportation projects. The allocation process could be gifted, auctioned, or offered at a fixed price. WRCOG could function as an umbrella facilitator for this type of program with responsibility for collecting and organizing the VMT savings into a single 'bank' and then disposing of the savings to individual projects as mitigation subject to all the program expectations outlined above.

IMPLEMENTATION RISKS

As explained above, VMT exchanges or banks come with unique requirements such as the 'additionality' test and ongoing verification that make them more challenging to implement than a conventional transportation impact fee program. However, exchanges and banks offer the ability to include program-type strategies directed at changing travel behavior that are not available in a conventional impact fee program. Given these tradeoffs, we assessed whether other risks could influence the choice of program.

One risk that stood out was related to current legal challenges to the use of carbon offsets that are based on similar concepts. In a recent legal case, the Sierra Club, Center for Biological Diversity, and Cleveland National Forest Foundation, Climate Action Campaign, Endangered Habitats League, Environmental Center of San Diego, and Preserve Wild Santee challenged the County of San Diego over the use of carbon offsets to achieve GHG reduction goals in the County's climate action plan. The court petition is available at the link below.

- <https://www.biologicaldiversity.org/programs/urban/pdfs/San-Diego-CAP-Petition-for-Writ-of-Mandate.pdf>

The California Attorney General's (AG's) office has also weighed in on this court case. According to a November 11, 2019 Los Angeles Times article, "California says San Diego County could undermine state's greenhouse gas plan", the AG's office filed an amicus brief. The article reported the following about the AG's brief.

In a strongly worded amicus brief recently submitted to the 4th District Court of Appeal in San Diego, Becerra argued that the county's offset strategy would "perpetuate current sprawling development patterns, which will impede the ability of the region and state to reach their long-term climate objectives."

"Without significant [vehicle miles traveled] reductions across the state, California simply will not be able to achieve its [greenhouse gas] reduction targets," the 33-page document said.



The state does not appear to support reducing GHG emissions from land use development without those reductions coming from fundamental local land use and transportation network changes. The risk is that lower density suburban and rural parts of the state would continue their sprawling patterns leading to more VMT and emissions. If the state maintains this position, it could also be used to argue against the creation of VMT mitigation exchanges and banks that attempt to offset VMT increases. To minimize this risk, the mitigation options offered by exchanges and banks could be applied only after project site mitigation has been exhausted and should attempt to offer additional mitigation within the same area or community.

GOVERNANCE

Governance for a VMT mitigation program is another important part of assessing program feasibility for a particular agency. The definition of governance for the purposes of this assessment includes the following three components.

1. Who makes program decisions?
2. How are decisions made?
3. Who is accountable for decisions?

These questions are answered below based on WRCOG serving as the specific agency that would implement and operate the VMT mitigation program. Since the answers will vary depending on the exact type of mitigation program, WRCOG was asked about specific program types of most interest. In response, three program options were identified.

- **Modified TUMF** – This option involves a modification to the existing TUMF where a new VMT reduction nexus is added. This change would allow the creation of two separate capital improvement programs (CIP) with their own separate fee schedules. A roadway capacity CIP would be retained for the LOS nexus component of the program and a new VMT mitigation CIP would be created. Some of the existing projects in the TUMF CIP are VMT reducing such as transit, bicycle, and pedestrian projects. These would be moved to the new VMT mitigation CIP presuming they are consistent with the new VMT reduction nexus requirement. If changes are limited to this new accounting and nexus approach, impact fees would remain relatively stable.

This option also allows for new VMT reducing projects to be added to the VMT mitigation CIP. The more projects that are added, the greater the potential VMT reduction, but also the greater the impact fees. Under this option, the TUMF would continue to serve a mitigation program for land use development projects. No mitigation would be available through the program for transportation infrastructure projects that generate new VMT.



- New VMT Impact Fee Program – This option involves creating a new VMT impact fee program focused solely on achieving VMT reduction through the CIP projects. The CIP would largely consist of active transportation and transit projects where sufficient evidence exists to demonstrate a VMT reduction nexus. The program would also be targeted exclusively for land use development project mitigation.
- New VMT Mitigation Exchange – This option is the most flexible in terms of offering VMT mitigation for both land use and transportation infrastructure projects. The program would identify VMT reduction projects that could be either fully funded or directly implemented by land use project applicants or transportation project sponsors. The type of project could include capital projects similar to those mentioned above for the impact fee programs plus TDM strategies or activities that reduce VMT. TDM often involves information development and dissemination and actions that change travel behavior. Since these do not qualify as capital projects, they are typically excluded from impact fee programs. As long as these strategies or activities have a clear nexus to VMT reduction, they would qualify for the VMT mitigation exchange project list. By covering VMT mitigation for transportation projects (i.e. roadway capacity projects causing induced vehicle travel impacts), more agencies could participate in the program and more VMT reduction could be delivered.

These options do not include a mitigation bank. As explained above, banks are more complex and require more effort to create, operate, and maintain without current evidence showing that the higher investment would necessarily produce greater VMT reduction than an impact fee program or exchange.

Who makes program decisions?

The simple answer to this question is that WRCOG makes the decisions, but that is not precise enough to fully understand what individuals or groups of individuals are authorized to make different types of decisions. WRCOG was formed through a [joint powers agreement](#) (JPA) is composed of all 18 incorporated Cities, Riverside County, Eastern and Western Municipal Water Districts, the Morongo Band of Mission Indians, and the Riverside County Superintendent of Education. The main decision-making body of WRCOG is the Executive Committee which is comprised of elected officials from each of WRCOG's member agencies and meets monthly to discuss policy issues and consider recommendations from WRCOG's Technical Advisory Committee (TAC), primarily comprised of the region's City Managers.

How are decisions made?

Any decision related to the implementation of any option identified above would ultimately be made by the Executive Committee after discussions, input, and voting has occurred at the various policy committees. On-going operation of the program would occur at the Executive Director, Transportation & Planning Director, and Public Works Committee (PWC) levels. Decisions and informational items are first brought to the Public Works and or Planning Directors Committee (PDC). Recommendations are then brought forth to the TAC. Following this would be the Administration & Finance Committee (AFC) who



provide budget and finance overview, which is comprised of a smaller group of elected officials who are also members of the Executive Committee. The final decision recommendations are lastly brought to the Executive Committee who make the final determination.

Once a program is established, WRCOG staff would oversee the program with input from WRCOG's member agencies, primarily through WRCOG's existing committee structure.

Who is accountable for decisions?

The WRCOG organization described above is transparent with an emphasis on a streamlined approach to decision-making. For day-to-day decision making, responsibility and accountability lies with the Executive Director and the Transportation & Planning Director. Major decisions are reserved for the Executive Committee since it has sole authority to adopt and amend by-laws for the administration and management of the JPA.

The table below summarizes the governance expectations above.

Type of Program	Who Makes Program Decisions?	How Are Decisions Made?	Who is Accountable?
Modified TUMF Program	<u>Creation of the program</u> - WRCOG Executive Committee <u>Operation of the program</u> - WRCOG Executive Committee, Executive Director, Transportation & Planning Director, AFC, TAC, and PWC	Decisions can originate from questions at any level of the agency, member agency, or the public. These are then resolved at the PWC, PDC, TAC, AFC or Transportation & Planning Director level for day-to-day operations and the Executive Committee for more significant decisions.	Executive Director and Transportation & Planning Director for day-to-day operations and the Executive Committee for more significant decisions.
New VMT Impact Fee Program			
New VMT Mitigation Exchange			

Advancing Implementation

Advancing one of the three options above would begin with a formal proposal by WRCOG staff at the PWC where informative discussions, presentations, and options would be explored. With the recommendation of the PWC it would then advance to the other policy committees in the following order.

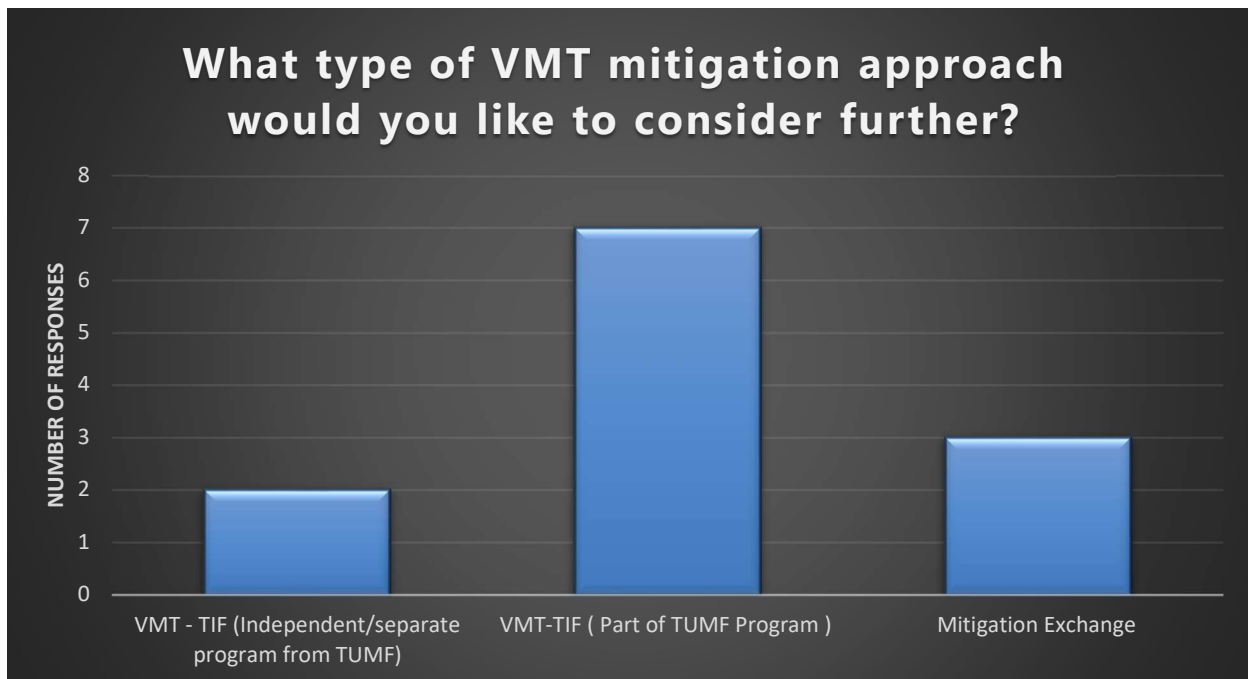
- TAC
- AFC
- Executive Committee



Prior to implementing any new Program, WRCOG would need to develop a concrete proposal for recommendation. Given WRCOG’s experience, this proposal should address each item below.

- The exact structure to be implemented (bank, exchange, or fee).
- The relationship between this program and other WRCOG programs.
- Program governance, which would likely be modeled after existing WRCOG programs like TUMF.
- Supporting documentation related to this proposal such as any quantification methods related to VMT reductions and other applicable items.

WRCOG Staff conducted a survey of its member agencies late in 2019 and early in 2020 to gauge their interest in either a VMT mitigation fee or exchange. The survey results are provided below. Based on the survey responses, it appears that a majority of our local agencies prefer a fee-based approach, though there is support for an exchange as well.





Based on that positive feedback, there appears to be merit in advancing a mitigation program. The next steps would generally focus on increased socialization of this concept and conceptual program development. Specific tasks WRCOG should undertake would include but not be limited to the following items.

- Convening a meeting with the Riverside County Transportation Commission (RCTC) and Riverside Transit Agency (RTA) to discuss this concept in greater detail.
- Identify at least two options for either a fee-based approach and an exchange, which would include an evaluation of their use for mitigating development and infrastructure projects.
- A review of the latest guidance from OPR and Caltrans regarding VMT impacts and the applicability of this type of program or programs to address any issues they have raised as SB 743 is implemented.
- Coordination with the upcoming TUMF Nexus Study update to ensure that the Nexus Study scope of work provides the necessary information for this type of program.



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Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: 2020-2021 Community Transportation Needs Assessment

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Date: May 13, 2021

The purpose of this item is to provide an update on the Clean Cities Coalition's Community Transportation Needs Assessment Voucher awarded by the California Air Resources Board Clean Mobility Options Voucher Pilot Program.

Requested Action:

1. Receive and file.

Background

The Western Riverside County Clean Cities Coalition seeks to integrate advanced technology with alternative fuels and infrastructure in transportation. The California Air Resources Board, on behalf of California Climate Resources, in cooperation with the Program Administrator team of The Local Government Commission, CALSTART, Inc., Shared-Use Mobility Center, and Grid Alternatives, will seek to ensure that all Californians benefit equitably from advances in clean transportation, especially those who live in the areas of California most severely impacted by air pollution. In 2020, WRCOG was awarded a Community Transportation Needs Assessment (CTNA) voucher by the California Air Resources Board Clean Mobility Options Voucher Pilot Program (CMO).

Community Transportation Needs Assessment

The CTNA seeks to identify the unmet community mobility needs of low-income and disadvantaged communities and develop sustainable solutions in partnership with its residents. WRCOG has partnered with the zero-emission carshare, EViaShare, to conduct the CTNA. EViaShare will be seeking input from community members through July in three cities: Corona, Moreno Valley, and San Jacinto, as well as neighboring California Native American Tribes such as the Morongo Band of Mission Indians, Pechanga Band of Luiseño Indians, and the Soboba Band of Luiseño Indians. CMO is part of California Climate Investments (CCI), a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities.

Communities and neighborhoods within this proposed assessment are suburban, less urbanized, less densely populated, and therefore lack robust public transit options often associated with major urban communities. The assessment will be conducted through a community organizing approach. A stakeholder group will be formed to include residents, affordable housing developers, environmental justice advocates, academics, and business owners. The group will develop a survey tool and a community outreach strategy that includes digital and social media, workshops (virtual), phone surveys, and one-on-one interviews. Communications will be multi-lingual and culturally relevant. The first Community Workshop was held on April 28, 2021, via Zoom, and

included discussion on the CTNA, mobility options, EViaShare, a question-and-answer segment, community discussion, and concluding remarks on the survey.

The CTNA Voucher will describe how many people were engaged in the Community Engagement Plan including general demographics (age, race, etc.). A description of travel behavior, including how community members travel, where they travel to, places they are unable to access, barriers to accessing transportation services, and cultural attitudes and assumptions to transportation services as identified from survey responses. The assessment will illustrate underlying causes in transportation within the project area, and potential solutions through community carshare.

CTNA Vouchers, or needs assessments, are nine months in duration, and have substantial impacts and help identify and understand unmet mobility needs of communities and develop solutions in collaboration with residents to best address those needs. CTNA Vouchers are a response to the California Air Resources Board's SB 350 Barriers Report process and the Greenlining Institute's Mobility Equity Framework that emphasized that resident engagement is critical in ensuring mobility services respond to community needs and to create buy-in to any proposed mobility services. Thus, all CMO applications require a needs assessment.

Prior Action:

September 17, 2020: The Technical Advisory Committee received and filed.

Fiscal Impact:

California Air Resources Board has awarded WRCOG's Clean Cities Coalition a 2020 Community Transportation Needs Assessment Voucher under the Clean Mobility Options Voucher Pilot Program with an approved budget of \$48,600.

Attachment:

None.