

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.33
(ID # 12814)

MEETING DATE:
Tuesday, June 16, 2020

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Report on impact of SB743, California Environmental Quality Act (CEQA) reform legislation specific to transportation impacts and the use of Vehicle Miles Traveled (VMT) and request the Governor to delay the use of VMT as the primary method for assessing transportation impacts under CEQA. All Districts.
[\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Chair to request the Governor delay the use of VMT as the primary method for assessing transportation impacts on the environment for projects subject to CEQA review.

ACTION:Policy

Patricia Romo, Director of Transportation

6/8/2020

Juan C. Perez, Director of Transportation & Land Management

6/10/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 16, 2020
xc: Transp.

Kecia R. Harper
Clerk of the Board
By:
Deputy

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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|--|-----------------------------|--------------------------|-------------------------------|---------------------|
| COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: No General Funds will be used on this project. | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 19/20 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Senate Bill 743: Determining the Significance of Transportation Impacts

Title 14 of the California Code of Regulations, Section 15064.3 was created as a result of the passage of Senate Bill (SB) 743 (Steinberg, 2013). SB 743 created a process that changes how transportation impacts are analyzed under CEQA. As a result, traffic congestion is generally no longer considered a potentially significant environmental impact under CEQA. A long-standing practice in California was to utilize a level of service (LOS) measurement for evaluating transportation impact on the environment, generally based on average trip delay. LOS analysis measures the quality of traffic flow on roadways, including vehicle speed and congestion.

SB 743 required the Governor’s Office of Planning and Research (OPR) to amend the CEQA Guidelines to provide an alternative to utilizing LOS measurement. The CEQA Guidelines state that, with limited exception, vehicle delay may no longer be considered a significant impact under CEQA. Instead, the amount of driving, as measured by VMT, is generally required for assessing transportation impacts on the environment for projects subject to CEQA review. Implementation of this new transportation metric is required statewide beginning July 1, 2020. This shift is to align transportation impact with the State’s plan to reduce greenhouse gas (GHG) emissions. Ultimately, the goal is to reduce the overall VMT across California by reducing vehicle dependency to support walking, bicycling, and transit use.

The Need for Delay and Policy Improvement

A one-size-fits-all method should not be the metric for evaluating transportation impacts under CEQA. Local agencies across the State, have not yet resolved the outstanding SB 743 implementation issues that could put the brakes on millions of dollars of transportation and development investment in Riverside County.

The use of vehicle miles traveled as a metric is also particularly challenging for areas like Riverside County that cover a significant geographic territory and have a mix of urban, suburban, and rural communities and lifestyles. It is also directly in conflict with State housing goals and targets to address our housing crisis, including the targets set through SCAG that

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unincorporated Riverside County is expected to add over 40,000 new housing units in the next 8 years (Regional Housing Needs Assessment cycle).

The COVID-19 public health crisis has also shaped a new normal. Whether short-term or long-lasting, the stay at home order and social distancing guidelines have caused dramatic shifts in transportation and economic activity. With job and revenue loss expected to reach unprecedented levels, now is not the time to implement a new and untested environmental measurement that could delay or cancel development projects in a time when development and housing will significantly contribute to the region's economic recovery.

There remains many unresolved policy and technical concerns that still require resolution before the final guidance can be implemented. In particular, utilizing VMT as the primary method of evaluating transportation impacts is likely to have a more significant negative impact on the State's rural, Central Valley, and Inland Empire regions. Urban coastal areas will have much less impact due to their urban and built-out environment and ability to rely on an extensive transit network.

County staff believes the significance of these issues, and those raised by the Riverside County Transportation Commission at their June 10th Executive Committee meeting, the Building Industry Association, and the California Legislature, require a delay of at least two years to resolve. The letter sent to the Governor on May 25th by the California Legislature, included a bipartisan, bicameral group of state legislators, who requested a two-year delay on implementation of SB 743, and was co-signed by Riverside County delegation members Senator Richard Roth and Assembly Member Chad Mayes. While the County will continue to work towards establishing specific County Guidance Standards, staff recommends the Board authorize the Chair to communicate with the Governor to request a delay of implementation of SB 743.

SUPPLEMENTAL

Attachments:

Request by the Building Industry of Southern California to Delay SB743 Implementation (June 1, 2020)

Request by Legislative Members to Delay SB 743 Implementation (May 25, 2020)


Jason Farin, Principal Management Analyst 6/11/2020


Gregory L. Priamos, Director County Counsel 6/10/2020



June 1, 2020

Riverside County Board of Supervisors
4080 Lemon Street - 5th Floor
Riverside, CA 92501

RE: Request for One-Year Delay on Implementation of SB 743

Dear County Supervisors:

The Building Industry Association of Southern California (BIASC) writes to you to request your support in extending the implementation date of Senate Bill 743 by one year, to a new implementation date of July 1, 2021.

As one of the largest home building associations in the nation, BIASC is a leading advocate for thousands of building industry leaders who are committed to a better future by building communities, creating jobs, and ensuring housing opportunities for everyone.

The world has changed dramatically over the last several months, especially when it comes to how we live, work, and play. The term “social distancing” has been introduced to our collective lexicon and is sure to continue to influence our daily lives for years and decades to come. Just as residents and businesses have adapted to the dramatic changes brought about by the Coronavirus pandemic, we strongly believe that government must adapt as well.

Based on its current form, SB 743’s Vehicle Miles Traveled (VMT) regulations do not take into account the massive societal shift that has taken place as a result of the Coronavirus pandemic. SB 743’s disproportionate emphasis on costly high-density housing construction, along with the push towards increased use of overcrowded public transportation, are in direct conflict with the role that social distancing has played in flattening the infection curve. In addition, according to a recent Harris Poll, nearly one-third of Americans are considering moving to less densely populated areas because of the Coronavirus outbreak.

SB 743 also fails to take into consideration how the increase in remote working has proven to be a significant factor in how people have performed their jobs during the Coronavirus pandemic. Many business leaders anticipate that working remotely will continue to play a major role in the way businesses of all sizes operate in the future. This means that regardless of where they live, California’s workforce will most likely spend less time commuting in their cars or by public transportation.

Additionally, BIASC has found inconsistencies among several local jurisdictions regarding the new VMT regulations. These inconsistencies include jurisdictions who have already adopted VMT and those who have not, along with how VMT will be utilized in concert with existing Level of Service measurements. Without a uniform approach by local jurisdictions, it is extremely difficult for homebuilders to proceed with the construction of new housing in any sort of efficient manner.

And although the state agency adopting the VMT guidelines has recommended the imposition of a regional "VMT Fee" on new projects to "mitigate" VMT impacts, no such VMT Fee mitigation program exists. Funding for the establishment of a regional VMT program has not been approved, and no work on a VMT mitigation fee program has been completed by the Southern California Association of Governments for the region.

Finally, amid our public health crisis, California's housing crisis has not gone away. According to the California Association of Realtors, a staggering 69% of California households cannot afford to purchase a median-priced home. Regrettably, VMT regulations would only worsen the state's affordable housing crisis by substantially increasing fees on new home construction. This is especially true in suburban and rural areas of the state where land is available and more affordable to build on.

We appreciate your consideration regarding our request and thank you for your tremendous dedication during these challenging times.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Montejano", with a long horizontal line extending to the right.

Jeff Montejano
BIA of Southern California
Chief Executive Officer

California Legislature

May 25th, 2020

The Honorable Gavin Newsom
California State Capitol
Sacramento, California 95814

RE: Extension of the July 2020 Implementation Date for the Vehicle Miles Travelled Regulations

Dear Governor Newsom:

We would like to thank you for your leadership and prompt and decisive action to protect our state from the COVID-19 pandemic. We applaud you for taking this threat seriously, and taking the necessary actions to prevent its rapid spread thereby reducing the impacts on our healthcare system, economy, and housing that are sure to come. It is in this spirit that we bring to your attention a regulation that we believe will dramatically impact the ability for many Californians, including millennials and communities of color in particular, to purchase a home – Vehicle Miles Travelled (VMT), and respectfully request the extension of the implementation date to July 1st, 2022.

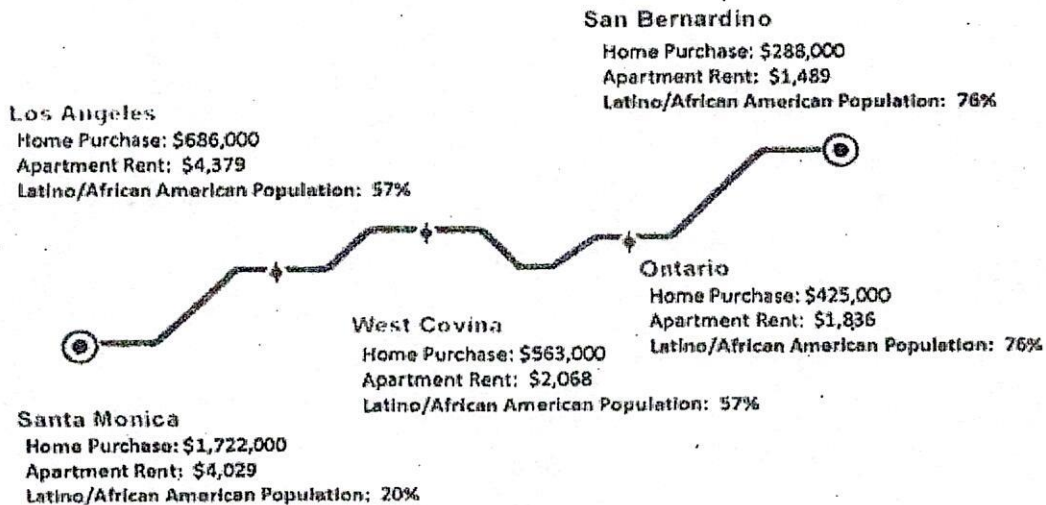
In December 2018, the California Natural Resources Agency adopted new regulations for the implementation of the California Environmental Quality Act (CEQA). The CEQA Guidelines contain many provisions that will increase the likelihood that housing projects will be subject to litigation and cost increases. Among them was the newly proposed impact known as VMT.

VMT requires residential project developers to quantify how many miles home buyers or renters drive to work, to the store, for recreation, and other purposes. This new impact is in addition to existing laws which require the quantification and mitigation of air quality impacts, including greenhouse gas emissions, from tail pipes. Accordingly, it will apply even once we convert to 100% zero emission vehicles.

The ideological approach of VMT is to get people to abandon their individual vehicles and utilize multimodal transit opportunities such as walking, biking, and using public transit. The regulation views road congestion as a good thing, since it slows down traffic and incentivizes individuals to use alternative forms of transit. Improvements like road widening is considered a negative impact on greenhouse gas reductions because it increases commuter speeds which the regulation assumes will encourage people to drive longer distances. The new regulation advocates that California go on a “road diet” and calls into question whether the voters understood this when they approved an increase in the gas tax.

The highest costs imposed by the VMT regulation is in areas farther away from job centers. This is where housing can be produced at the lowest cost, and is the primary source of housing for low and middle class Californians. However, measures to mitigate VMT, especially in rural areas, significantly drive up the costs of residential development. VMT also disproportionately impacts low- and middle-class Californians who are predominately communities of color. This point is illustrated in the graph below which shows that as people drive “until they qualify”, home prices drop by \$19,000 per mile as they move farther way from Santa Monica towards San Bernardino.

Figure 1: Geography of Southern California Region's Housing Cost Crisis
Housing Costs increase \$19,000 per Mile
Median 2BR Apartment Rents Increase \$33 per month per mile
(77 Mile Commute Distance to Coast)



Communities of color depend on cars more than non-protected classes to get to their jobs which are often not at fixed locations served by transit (construction, farmworkers, janitors, etc.). The VMT regulation will increase, not decrease, the cost of housing and will have its greatest impacts on classes protected by the federal and state constitutions and a variety of federal and state laws prohibiting housing discrimination. Moreover, a \$1,000 increase in the cost of a home eliminates 8,870 households from the ability to afford a home and puts the American dream of homeownership – the primary method of establishing economic stability, community participation and economic growth – further out of reach for those struggling to afford a home today.

During the COVID-19 health crisis, which has already produced dramatic reductions in VMT, we believe that you should pause this regulation for cities and counties until a more equitable solution can be achieved. Therefore, we respectfully request that you extend the implementation of the VMT regulation for two years. Thank you again for your leadership during these challenging times, and know that we stand ready to assist you in our mutual effort to address the housing crisis in California.


Sincerely,

Anna Caballero
 Senator, 12th District

Frank Bigelow
 Assemblymember, 5th District



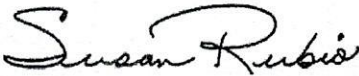
Andreas Borgeas
Senator, 8th District



Melissa Hurtado
Senator, 14th District



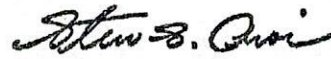
Richard Roth
Senator, 31st District



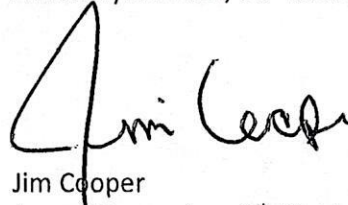
Susan Rubio
Senator, 22nd District



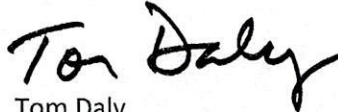
Scott Wilk
Senator, 21st District



Steven Choi
Assemblymember, 68th District



Jim Cooper
Assemblymember, 9th District



Tom Daly
Assemblymember, 69th District



James Gallagher
Assemblymember, 3rd District



Mike Gipson
Assemblymember, 64th District



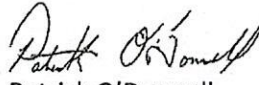
Adam Gray
Assemblymember, 21st District



Chad Mayes
Assemblymember, 42nd District



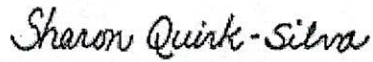
Jay Obernolte
Assemblymember, 33rd District



Patrick O'Donnell
Assemblymember, 70th District



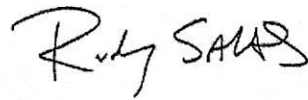
Jim Patterson
Assemblymember, 23rd District



Sharon Quirk-Silva
Assemblymember, 65th District



Blanca Rubio
Assemblymember, 48th District



Rudy Salas
Assemblymember, 32nd District



Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Lou Monville

Address: BIA / 3891 11th St

City: Riverside Zip: 92501

Phone #: 951 850-5900

Date: 6/16/20 Agenda # 3.33

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

Support Oppose Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

Support Oppose Neutral

I give my 3 minutes to: _____