

Date: August 23, 2017

The City of San Jose is releasing the attached preliminary draft Transportation Analysis Policy for discussion.

This Policy revision is intended to satisfy the requirements of a change in State law (Senate Bill 743) and bring the City of San Jose's transportation and land use policy into greater alignment with the Envision San Jose 2040 General Plan.

More information about this policy change can be found at [www.sanjoseca.gov/VMT](http://www.sanjoseca.gov/VMT). Feedback on this policy can be sent to [vmt@sanjoseca.gov](mailto:vmt@sanjoseca.gov), submitted via the comment form on the website, and/or shared with staff at workshops and public meetings listed on the website.

Thank you for your feedback and interest.

**City of San José, California**

**COUNCIL POLICY**

<b>TITLE</b> Transportation Analysis Policy	<b>PAGE</b> 1 of x	<b>POLICY NUMBER</b>
<b>EFFECTIVE DATE</b>	<b>REVISED DATE</b>	
<b>APPROVED BY COUNCIL ACTION</b>		

**BACKGROUND**

This Policy repeals and replaces Council Policy 5-3, "Transportation Impact Policy." This Policy brings the City of San José's transportation analysis in line with State, regional and City goals as directed in Senate Bill 743 (SB 743) and the City of San José's Envision 2040 General Plan. As required by SB 743, this Policy updates the thresholds for transportation impacts under the California Environmental Quality Act (CEQA), removing transportation level of service (LOS) and replacing it with Vehicle Miles Traveled (VMT).

**PURPOSE**

The purpose of this Policy is to 1) establish thresholds for transportation impacts under the California Environmental Quality Act (CEQA) for the City of San José and 2) set the requirements for analyses and determinations regarding the overall conformance of proposed developments, plans and transportation projects (Projects) with the various multi-modal transportation strategies, goals, and policies in the City's Envision San José 2040 General Plan (General Plan) to provide a safe, efficient, and environmentally sensitive transportation system for the movement of people and goods.

**POLICY**

The Envision San José 2040 General Plan sets forth a vision and a comprehensive road map to guide the City's continued growth through the year 2040. The City's General Plan strategically links land use and transportation to reduce the environmental impacts of growth by promoting transit use and active transportation. The General Plan encourages compact, mixed-use development in focused growth areas, bringing together office, residential and service land uses to internalize trips and reduce Vehicle Miles Traveled (VMT). To achieve San José's mobility goals, minimize vehicle trip generation, and reduce VMT, the General Plan also encourages use of non-automobile transportation modes.

VMT, as used in this Policy, measures the amount of vehicle travel associated with a Project. VMT is measured by multiplying the total vehicle trips by the average distance those trips travel, adjusted for the number of people in the vehicles. For residential and employment land uses, VMT is measured per person who will occupy or use a Project. For large retail and transportation projects the net amount of VMT is measured. VMT per capita measures how well a Project supports multi-

modal transportation and balanced, integrated land uses.

### Implementation

In support of the **Envision San José 2040 General Plan** strategies, goals, and policies, the City will continue to rely upon several existing policies, ordinances, programs, and development processes to maintain and improve the multi-modal transportation system. Existing policies for protecting neighborhoods from significant traffic effects, and for ensuring that traffic generated by Projects does not fall disproportionately upon existing neighborhoods and businesses, include the following:

1. Various taxes assessed on new development to maintain the existing transportation network. Existing taxes include the Building and Structure Construction Tax (SJMC § 4.46), Residential Construction Tax (SJMC § 4.64), and the Construction Tax (SJMC § 4.54);
2. The Council "Traffic Calming Policy" (Council Policy 5-6) that provides resources to prevent, offset, or minimize adverse effects of vehicular cut-through traffic on residential neighborhoods;
3. The General Plan Policy that allows for adoption of Area or Transportation Development Policies to address transportation needs in specific geographic areas of the City.

This Transportation Analysis Policy 1) establishes a new CEQA VMT metric and 2) sets the requirements for analyses and determinations regarding the overall conformance of proposed Projects with the various multi-modal transportation strategies, goals, and policies in the City's Envision San José 2040 General Plan ("General Plan") through the following additional implementation mechanisms:

4. Requiring new Projects to analyze transportation environmental impacts using VMT under the California Environmental Quality Act (CEQA)
5. Requiring Local Transportation Analysis so that all new Projects analyze and address their operational effects on the transportation system.

### I. Transportation Analysis (TA)

In accordance with CEQA, all proposed projects are required to assess transportation as a component of environmental review. The environmental review for transportation includes levels of review requirements including Exemption, Negative Declaration, Mitigated Negative Declaration, and full Environmental Impact Reports. Projects that are required to conduct Transportation Analysis as determined by this policy shall prepare a Transportation Analysis consisting of VMT evaluation and/or Local Transportation Analysis in compliance with professional standards and the City Transportation Analysis Guidelines. See Appendix X for requirements.

#### Applicability

The requirement to evaluate VMT applies to all Projects except the following types of Projects because the Council finds that these projects will not result in significant impacts and will further other City goals and policies:

1. **Small Infill projects** may be presumed to have a less than significant transportation impact in accordance with CEQA; the City Council finds that these projects, individually and cumulatively, will not result in significant impacts on the transportation system and will conform to the City's General Plan, other City goals and policies:

#### Small infill projects

1. All office buildings containing 10,000 square feet of gross floor area or less.
2. All industrial buildings containing 30,000 square feet of gross floor area or less.
3. All single-family detached residential projects of 15 dwelling units or less.

4. All single-family attached or multi-family residential projects of 25 units or less.

In no case shall any of these above types of small infill projects be exempted if they are increments of a larger project or “site” as defined in Chapter 20.200 of the San José Municipal Code.

- 2. Transit Supported, Low VMT Growth Areas presumption of a less than significant impact:** In accordance with State Law and the City’s General Plan, proposed Projects within high-quality transit areas, as defined by the State in Senate Bill 743, that are in areas with VMT below the relevant threshold, and are in City Planned Growth Areas inherently meet City environmental, land use and transportation goals and thus may be presumed to have a less than significant impact under CEQA transportation review.

Residential, retail, and office projects, as well as mixed-use projects which are a mix of these above uses, are presumed to have a less than significant impact on VMT if they meet **all** the following minimum criteria:

- Located within a ½ mile of an existing major transit stop<sup>1</sup> or an existing stop along a high quality transit corridor<sup>2</sup>
- Located within a Planned Growth Area as defined in the General Plan
- The project area VMT is less than or equal to the CEQA VMT threshold for the proposed land use(s)
- Possess a transit-supporting project density, measured as:
  - A minimum Floor Area Ratio (FAR) of 0.75 for commercial projects, based on gross floor area
  - A minimum of 35 dwelling units per acre for a mixed-use residential/commercial and/or retail project where the gross floor area of the residential use does not exceed 50% of the project’s entire gross floor area<sup>3</sup>, or 55 dwelling units per acre<sup>4</sup> for residential-only projects
- Propose the minimum parking required by the City of San José’s Title 20 of the San José Municipal Code not considering parking exceptions, and adjusted where applicable for Urban Village or Downtown parking reduction allowances. Proposed parking can be above the minimum if the parking provided is shared and publicly available and/or “unbundled parking” as defined in Chapter 20.200 of the San José Municipal Code.
- Does not negatively impact pedestrian, bike, or transit infrastructure. See Appendix X for unacceptable negative impacts.

- 3. Local-Serving Retail presumption of a less than significant impact:** Local-serving retail typically diverts existing trips from established local retail to new local retail without measurably increasing trips outside of the area. In recognition of this effect, retail commercial projects larger than 5,000 square feet and under 100,000 square feet will be presumed to have a less than significant impact if the anchor retail space is no larger than 60,000 square feet. This presumption is not applicable to Projects which contain drive-thru retail due to the high auto-traffic volume associated with this type of Project.

- 4. Transportation Projects presumption of a less than significant impact:** Transportation

<sup>1</sup> Pub. Resources Code § 21064.3 (“Major transit stop’ means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods”).

<sup>2</sup> Pub. Resources Code § 21155 (“For purposes of this section, a high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours”).

<sup>3</sup> 35 units per acre is derived from the California State Office of Planning and Research’s suggested FAR of 0.75.

<sup>4</sup> 55 units is derived from the 2015 City of San José’s 2016 Finances Fiscal Analysis update

projects that inherently support environmental, land use and transportation goals of the City and State by supporting VMT reduction or being neutral to it are presumed to have a less than significant impact under CEQA VMT review. Examples include transportation projects that enhance pedestrian, bike, or transit infrastructure, and transportation projects that maintain current infrastructure, without adding substantial new auto capacity. A list of example projects that may meet this presumption are included in Appendix X.

## II. Vehicle-Miles Traveled (VMT)

This Transportation Analysis Policy establishes the thresholds for identifying environmental impacts of Projects on the City's transportation network, and requires Projects to mitigate significant impacts. In accordance with CEQA and this Policy, Projects that are not exempt or presumed to have a less than significant impact are required to evaluate potential overall transportation impacts and propose mitigation and/or improvements. The following language addresses the thresholds and mitigation requirements for implementing the City of San José's VMT-based CEQA analysis. Methods for analysis based on detailed land use types are contained in the Transportation Analysis Guidelines.

### 1. Policy Implementation

#### a. Vehicle-Miles Traveled (VMT) Thresholds of Significance

VMT, as used in this Policy, measures the amount of vehicle travel associated with a Project. VMT is measured by multiplying the total vehicle trips by the average distance those trips travel, adjusted for the number of people in the vehicles.

For residential and employment uses, VMT is measured per person who will occupy or use a Project. For large retail and transportation projects the net amount of VMT is measured. VMT is a function of both the number of vehicle trips taken and the length of those trips, adjusted for the number of people per vehicle.

The thresholds of significance used by the City of San José to measure VMT are described in the following table by general project type; detailed methods for calculating VMT by project type are detailed in the City's Transportation Analysis Guidelines.

**Table X. Project Type and VMT Thresholds of Significant**

Project Types (as categorized in the General Plan)	Threshold for Determination of Significant Transportation Impact
Residential uses	VMT per resident greater than <i>both</i> 15 percent below Citywide VMT per resident <i>and</i> 15 percent below regional VMT per resident
General Employment uses (e.g. office, R&D)	VMT per employee greater than 15 percent below existing regional VMT per employee
Industrial Employment uses (e.g. warehouse, manufacturing and distribution uses)	VMT per employee greater than existing regional VMT per employee
Retail uses (Including Hotel)	A net increase in the total VMT for the region
Public-Quasi Public uses	Public-Quasi Public uses will be analyzed using the most relevant threshold as determined by City staff for the proposed use on the site from the enumerated Project types above
Mixed-Use	Each land use component of a <b>mixed-use projects</b> will be analyzed independently, applying the significance threshold for each development

	type included in the project from the enumerated development types above
Change of use or additions to existing development	Changes of use or additions to existing development will be analyzed applying the significance threshold for each development project component type included in the project from the enumerated development types above.
Urban Village, Station, Development Policy, Specific, Strategy or other area plans as categorized in the General Plan	Each land use component will be analyzed independently, applying the significance threshold for each development type included in the project from the enumerated development types above
General Plan Amendments	General Plan Amendments will be analyzed in conformance with the General Plan's definition of VMT. An increase in total VMT is a significant transportation impact
Transportation Projects	Net increase in VMT greater than that specified in the latest State AB 32 Scoping plan

b. Acceptable Mitigation

If a project is determined to have a significant impact on VMT, it must reduce that impact by modifying project VMT to an acceptable level (below the established thresholds of significance applicable to the project or plan) and/or mitigating the impact through multimodal transportation network improvements and transportation demand management.

Methodologies for measuring and mitigating VMT for new development and transportation must conform to the City's Transportation Analysis Guidelines. The City's Department of Transportation maintains these Guidelines, updating them on a periodic basis to include evolving industry best practices.

c. Unmitigatable Impacts

If a project is unable to mitigate VMT impact(s) and thus results in significant and unavoidable transportation impact(s), the project may opt to:

- 1) Modify/Change the project to meet VMT threshold(s). This could include the following: Changing the project type, increasing density and land use diversity, improving project design, reducing off-street parking supply, providing affordable housing, include local multimodal transportation network improvements as part of the project, or establish a trip cap for the project including an annual trip monitoring program.

OR

- 2) Commercial or industrial projects that demonstrate extraordinary benefits to the City, as determined by the City Council, and are consistent with the General Plan, as well as any applicable area plan(s), may be offered an opportunity to construct or fund multi-modal transportation improvement(s), called Transportation System Improvement(s), within the Citywide transportation system to improve system efficiency and/or safety, enhance non-auto travel modes, and promote citywide reduction of VMT. Priority of such improvements will be determined based on geographic proximity to the project.

By constructing or paying a fair share towards these improvements to the City's overall multi-modal transportation system, the project may contribute substantially to achieving General Plan goals for improving and expanding the City's multi-modal

transportation system. The project could, therefore, be found consistent with the City's General Plan multi-modal Transportation Policies.

Should the applicant construct or fund offsetting Transportation System Improvement(s) to address unmitigatable VMT, the process described herein will be followed to determine the value of the Transportation System Improvement(s) to assure consistency in the application of this Policy:

- For projects with up to 1,000 daily vehicle trips, the total value of improvements to be constructed or funded by a project having significant and unavoidable VMT impacts will be estimated by multiplying \$1,000 by the total number of daily vehicular trips generated by the project, after all vehicular traffic credits have been assigned.<sup>5</sup>
- For projects with unmitigatable VMT that produce more than 1,000 daily vehicle trips, the value of Transportation System Improvement(s) will be determined during the CEQA process; in no circumstances would the value be less than a project with 1,000 daily vehicle trips.
- The daily vehicular trip rate of \$1,000 will automatically increase in line with the Engineering News-Record Construction Cost Index (ENR CCI) on an annual basis to ensure that the value remains consistent over time.
- The total amount of this calculated value will create a budget for the project's construction of or funding for the Transportation System Improvement(s).

Project Size	Value of Transportation System Improvements
Less than 1,000 daily vehicular trips	\$1,000 per daily vehicular trips
More than 1,000 daily vehicular trips	TBD during CEQA process

For purposes of clarification, improvements to the Citywide multi-modal transportation system as discussed in this section is not "mitigation" for significant VMT impacts, as mitigation is defined by CEQA. Such improvements would not necessarily reduce or avoid the significance of unmitigatable VMT impacts. Rather, the improvements accomplished in this way are a means of providing substantial additional benefit to the community by improving the overall multi-modal transportation system in the area, which the Council would consider in deciding whether or not to approve the proposed project. It has been determined that building such improvements may contribute substantially to achieving General Plan goals for improving and expanding the City's multi-modal transportation system. A development project that conforms to this Policy could, therefore, be found to be consistent with the City's General Plan multi-modal transportation policies.

### III. Local Transportation Analysis

The following section addresses the implementation of the City's Local Transportation Analysis (LTA) requirements. This Policy serves the City by helping to address local and operational transportation issues and fund the construction of transportation infrastructure.

Local Transportation Analysis provides additional information to evaluate transportation conditions proximate to a project and supplements the VMT analysis. Numerous General Plan Policies support requiring an LTA, including:

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<sup>5</sup> Credits, or reductions in the net number of trips generated by a proposed development project, can be based on factors such as existing development on the project site that will be removed if the proposed project is implemented and/or reductions in trip generation rates assumed consistent with this policy and the City's Transportation Analysis Guidelines, or assumptions approved by the City.

CD-3.3 Within new development, create and maintain a pedestrian-friendly environment by connecting the internal components with safe, convenient, accessible, and pleasant pedestrian facilities and by requiring pedestrian connections between building entrances, other site features, and adjacent public streets.

LU-9.1 Create a pedestrian-friendly environment by connecting new residential development with safe, convenient, accessible, and pleasant pedestrian facilities. Provide such connections between new development, its adjoining neighborhood, transit access points schools, parks, and nearby commercial areas.

LU-9.2 Require that new residential development be designed to protect residents from potential conflicts with adjacent land uses.

TR-1.2 Consider impacts on overall mobility and all travel modes when evaluating transportation impacts of new developments or infrastructure projects.

TR-1.4 Through the entitlement process for new development, fund needed transportation improvements for all transportation modes, giving first consideration to improvement of bicycling, walking and transit facilities. Encourage investments that reduce vehicle travel demand.

TR-2.8 Require new development where feasible to provide on-site facilities such as bicycle storage and showers, provide connections to existing and planned facilities, dedicate land to expand existing facilities or provide new facilities such as sidewalks and/or bicycle lanes/paths, or share in the cost of improvements.

Any Project may be required to submit a LTA. An LTA analyzes the effects of a Project to transportation, access, circulation, and related safety elements within the local area of the project and proposes improvements to address negative effects. Elements of an LTA are comprehensively discussed in the City's Transportation Analysis Guidelines and include, but are not limited to:

- local operational analysis, including safety and signalized intersection level of service
- site access and circulation analysis
- local neighborhood impacts analysis
- local area multi-modal analysis

The LTA must comply with relevant professional standards and the methodology included within the City's Transportation Analysis Guidelines or as determined by City staff.

In addition to describing the existing vehicular transportation facilities in the project area, the LTA must also identify the existence, status and condition of pedestrian, bicycle and transit systems and facilities that would serve, or may be affected by, the proposed Project. Further analysis of site design and access, neighborhood traffic issues, local transportation safety and other Project area transportation issues may also be studied as specified in the City's Transportation Analysis Guidelines or as determined by City staff. The Project must complete the proposed LTA prior to or in conjunction with the project's environmental review requirements.

**APPENDIX A  
TO COUNCIL POLICY XXXX  
POLICY IMPLEMENTATION PROCEDURES**

The applicant<sup>6</sup> for any proposed Project that is not exempt as defined in this Policy must submit a Transportation Analysis (TA) that identifies: a) potential transportation impacts as defined in the VMT section of this Policy and negative effects on nearby transportation facilities as identified by the Local Transportation Analysis; b) mitigations for significant impacts and improvements identified in the LTA. This may include impacts or negative effects on roadways and roadway capacity, and on any facilities or systems for alternative forms of transportation (such as transit stops, transit reliability, sidewalks, bicycle lanes, etc.). Both the VMT analysis and LTA must be prepared in conformance with the City's Transportation Analysis Guidelines. The TA must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works.

If the TA concludes that the project would not result in significant VMT or negative effects to transportation operations or negative effects to any alternative transportation modes, the Project conforms to this Transportation Policy and environmental clearance with respect to Transportation can be issued. If the project would result in a significant VMT impact or negative effects to transportation operations and its proposed mitigations would have unacceptable impacts on other transportation facilities, or if the project itself would result in an unacceptable impact on other transportation facilities, the project may need to be modified to avoid both the significant impacts and the unacceptable impact(s) or effect(s) on other transportation facilities. The modification may be one or a combination of the following:

- (1) modification of the Project design to avoid the significant transportation impact and/or the unacceptable impact(s) on other transportation facilities, or
- (2) the identification of alternate mitigation measure(s) that would reduce the transportation impact to an acceptable level and would not itself have unacceptable impacts, as defined in *Unacceptable Effects of Transportation Improvements* below

The directions for preparing a TA, including the thresholds for triggering its preparation and the criteria used both to determine the significance of transportation impacts and to evaluate the effectiveness of mitigation measures, are included in the City's Transportation Analysis Guidelines.

***Unacceptable Effects of Transportation Improvements***

Unacceptable mitigation measures include any Transportation Improvement that would result in degradation of or a reduction in capacity for alternative transportation modes. If any of the Transportation Improvements that are necessary to avoid significant transportation impacts could, themselves, have unacceptable impacts on other existing or planned transportation facilities, those improvements will not be allowed. An unacceptable impact on other existing or planned transportation facilities is defined as reducing any physical dimension of a transportation facility below the City's stated minimum design standard, consistent with the City's Complete Streets Guidelines, or causing a substantial deterioration in the quality of any other planned or existing transportation facilities, including pedestrian, bicycle, and transit systems and facilities, as determined by the Director of Transportation. Examples of unacceptable impacts would include:

- reducing the width of a sidewalk below minimum City standard;
- eliminating a bicycle lane or reducing its width below minimum City standard;
- eliminating a bus stop, or eliminating a parking lane that accommodates a bus stop;

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<sup>6</sup> For this Policy, the term "applicant" refers to someone that has requested an entitlement or discretionary approval from the City of San José

- eliminating a park strip (between sidewalk and street) that contains mature trees that shade and protect the sidewalk<sup>7</sup>;
- encouraging substantial neighborhood cut-through traffic;
- creating unsafe pedestrian and/or automobile operating conditions.

If any transportation improvement proposed to address a project impact or negative effect would itself have unacceptable effects, the applicant must identify other mitigation measure. If any transportation improvement or mitigation measure proposed requires acquisition of right-of-way and/or affects an existing private development, sufficient information about all the effects of right-of-way acquisition and redesign of the intersection must also be provided.

If a proposed project fails to provide acceptable mitigation for significant transportation impacts in a manner that is acceptable under the Policy, the proposed project cannot be found in conformance with the General Plan.

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<sup>7</sup> A park strip with mature trees provides a substantial physical separation between pedestrians and vehicular traffic, adds a degree of protection to the sidewalk, and creates a more comfortable environment for pedestrians.

**APPENDIX B**  
**TO COUNCIL POLICY XXX**  
**Example Transportation Projects with presumption of a less than**  
**significant impact under CEQA Transportation Analysis**

- Rehabilitation, maintenance, replacement and repair projects designed to improve the condition of existing transportation assets (e.g., highways, roadways, bridges, culverts, tunnels, transit systems, and assets that serve bicycle and pedestrian facilities) and that do not add additional motor vehicle lanes
- Roadway shoulder enhancements to provide “breakdown space,” otherwise improve safety or provide bicycle access
- Addition of an auxiliary lane of less than one mile in length designed to improve roadway safety
- Installation, removal, or reconfiguration of traffic lanes that are not for through traffic, such as left, right, and U-turn pockets, or emergency breakdown lanes that are not utilized as through lanes
- Addition of roadway capacity on local or collector streets provided the project also substantially improves conditions for pedestrians, bicyclists, and, if applicable, transit
- Conversion of existing general purpose lanes (including ramps) to managed lanes or transit lanes, or changing lane management in a manner that would not substantially decrease impedance to use
- Reduction in number of through lanes, e.g. a “road diet”
- Grade separation to separate vehicles from rail, transit, pedestrians or bicycles, or to replace a lane in order to separate preferential vehicles (e.g. HOV, HOT, or trucks) from general vehicles
- Installation, removal, or reconfiguration of traffic control devices, including Transit Signal Priority (TSP) features
- Traffic metering systems
- Timing of signals to optimize vehicle, bicycle or pedestrian flow
- Installation of roundabouts
- Installation or reconfiguration of traffic calming devices
- Adoption of or increase in tolls
- Addition of tolled lanes, where tolls are sufficient to mitigate VMT increase (e.g., encourage carpooling, fund transit enhancements like bus rapid transit or passenger rail in the tolled corridor)
- Initiation of new transit service
- Conversion of streets from one-way to two-way operation with no net increase in number of traffic lanes
- Removal of off-street parking spaces
- Adoption or modification of on-street parking or loading restrictions (including meters, time limits, accessible spaces, and preferential/reserved parking permit programs)
- Addition of traffic wayfinding signage
- Rehabilitation and maintenance projects that do not add motor vehicle capacity
- Any lane addition under 0.3 miles in length, including addition of any auxiliary lane less than 0.3 miles in length