

Frequently Asked Questions (FAQ) on Vehicle Miles Traveled (Adapted from the California Office of Planning and Research)

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Background and Purpose

What is SB 743?

Under CEQA, cities, counties, and other public agencies must analyze real estate and transportation projects to determine whether they may have a significant impact on the environment. One key determination under CEQA is the transportation impact of these projects. Traditionally, transportation impacts have been evaluated by examining whether the project is likely to cause automobile delay at intersections and congestion on nearby individual highway segments, and whether this delay will exceed a certain amount (this is known as Level of Service or LOS analysis).

SB 743, which was signed into law in 2013, initiated an update to the CEQA Guidelines to change how lead agencies evaluate transportation impacts under CEQA, with the goal of better measuring the actual transportation-related environmental impacts of any given project.

According to the Legislature: "New methodologies under the California Environmental Quality Act [were] needed for evaluating transportation impacts that are better able to promote the state's goals of reducing greenhouse gas emissions and traffic-related air pollution, promoting the

development of a multimodal transportation system, and providing clean, efficient access to destinations.”

Starting on July 1, 2020, agencies analyzing the transportation impacts of new projects must now look at a metric known as vehicle miles traveled (VMT) instead of LOS. VMT measures how much actual auto travel (additional miles driven) a proposed project would create on California roads. If the project adds excessive car travel onto our roads, the project may cause a significant transportation impact.

Agencies have used VMT as a concept and metric for some time. Prior to SB 743, VMT was already being used in CEQA to study other potential impacts such as greenhouse gas, air quality, and energy impacts.

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Why was the change needed?

Auto delay, as measured by LOS, was never an ideal metric for evaluating the actual environmental impacts of a given project. [This narrated slideshow](#) describes the challenges with using LOS as the measure of transportation impacts in CEQA. These include:

- Burdens last-in infill development with costly mitigation that undermines neighborhood quality.
- Leads to more sprawl instead of encouraging more walkable neighborhoods.
- Forces cities to prioritize cars over people walking, biking, and taking transit, which leads to more car travel and exacerbates regional congestion.
- Causes development to be more spread out, ironically making it harder for residents to reach their daily destinations without driving long distances
- By generating more vehicle travel, LOS leads to an array of environmental impacts and impacts to human health.

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What are the benefits of moving to a VMT metric?

VMT is a measure of the [transportation system’s impact on the climate, the environment, and human health](#). VMT also provides an indication of the access to economic and social opportunity, with lower VMT areas requiring less driving and generally providing better access to daily destinations such as jobs and services.

Using VMT to assess transportation impacts will:

Confer substantial health and equity benefits.

- Allow more people to commute by biking and walking—[reducing thousands of death in California due to physical inactivity by each year](#).
- Reduce crash fatalities by allowing people to drive less and reducing distances between destinations. In the US, traffic fatalities are more than twice as high as other industrialized nations, [largely because we drive so much more](#).
- Improve air quality from auto emissions. About 5,400 Californians die each year due to particulate pollution from cars. While electric cars and cleaner fuels will help reduce GHG, particulate pollution coming from tires and brake debris continues to grow with the miles we drive on our streets and highways.
- Create a more equitable transportation system. Residents living near freeways (predominantly low-income communities and communities of color) are five times more likely to have asthma than people living in other locations. These communities are also less likely to have adequate active transportation infrastructure, putting pedestrians and cyclists at greater risk of injuries and fatalities.
- Build community. Reducing commute times lets people have more time with their families, take part in more school and civic engagements, and reclaim the time that was previously spent commuting.

Protect California’s agricultural lands and open space.

- Streamline infill, preserving agricultural lands and open space for growing food, for recreation, and for maintaining ecological biodiversity.
- Conserve lands surrounding cities that make our communities safer and more livable, like important wildfire buffers, wetlands to prevent flooding, and green space to offset the heat and pollution generated by urban areas.

Address regional congestion more effectively by reducing it at the source.

- Add less car traffic onto our roads, which is the only proven way of reducing congestion.
- Reduce the long commutes that clog our highways and limit time spent with families and communities.
- Encourage development that makes Californians’ lives easier by putting destinations closer together, for example by providing residents nearby shopping or dining opportunities.

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Does SB 743 only benefit coastal communities or dense urban areas?

No. Every region of the state will benefit from SB 743 and every region can streamline development within their communities using SB 743. While SB 743 includes streamlining around transit stations, every local government can streamline development where residents

already access their daily amenities with shorter trips. More than half of future housing will be eligible for streamlining.

Streamlining will be available in cities and towns far from urban centers. These smaller cities typically generate low VMT. Under LOS, roads were often widened and development was spread apart to make room for large parking lots. The character of rural towns was often lost. SB 743 will also help preserve California's natural and working lands, including forests, rangelands, green spaces, wetlands, and farms, and other key aspects of California's rural character.

The CEQA process is controlled locally and local governments will determine how best to implement SB 743 to improve their communities.

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How will SB 743 reduce housing costs throughout California?

The goal of SB 743 is to reduce time and cost for projects that allow California residents to drive less. Before SB 743, infill projects had to undergo time-consuming and costly LOS analyses, leading to even more costly LOS mitigation (widening roads, adding traffic signals, installing turn lanes, etc.). LOS analysis was complex and often the subject of lawsuits, so added risk to development projects, further increasing costs.

Under SB 743, over 50 percent of development within the state could forego transportation analysis and mitigation entirely. This includes affordable housing, housing within ½ mile of transit, housing projects generating fewer than 110 trips per day, and new housing in existing low-VMT neighborhoods--which are found in every region of the state, including rural and suburban areas.

For projects that need to do a transportation analysis, using the VMT metric saves 80 percent of the cost and time to do the analysis. Because the analysis is simpler, it can reduce the risk of lawsuits. If a project would increase VMT beyond the amount selected by the local government, then changes to the project will be incorporated that improve the design or provide benefits to residents and the environment.

Future residents of these housing projects will appreciate that they are built to allow residents to drive less, reducing transportation costs. Transportation costs are the second highest household cost after housing.

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Will significant VMT impacts prevent housing projects from being approved?

No. Under CEQA, lead agencies can approve a project even if that project has significant and unavoidable transportation impacts. Moreover, CEQA would not require unreasonable changes to a project that make the project infeasible.

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Won't reducing the amount of driving limit economic growth?

No. SB 743 will facilitate faster economic growth. Decades ago, it was believed that increased driving was necessary for economic growth. However, we now know that economic growth does not require an increase in driving. Further, recent [research has shown](#) that the old system based on LOS actually slowed economic growth by creating development patterns that limited residents' ability to get to their daily destinations.

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Does SB 743 still make sense given COVID-19?

Californians are living through an incredibly stressful and tragic pandemic—and they have responded with amazing self-sacrifice. These challenging circumstances make SB 743 even more urgent.

- Streamlining more housing in stronger communities will aid our state's recovery.
- Building more places to walk and bike will help us exercise while accessing our new daily destinations, which are often closer to home.
- Reducing air pollution will keep us healthier now and for years to come. Early research suggests that air pollution has significantly worsened the COVID-19 outbreak.
- Encouraging businesses to retain telework options—which can directly reduce VMT--beyond the pandemic will reduce the amount of driving required of many workers and reduce congestion for those who do drive.

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Will SB 743 result in new fees and taxes for California residents?

No. SB 743 applies to new development projects, making sure they are built in a way that allows Californians to drive less. SB 743 does not impose any new fees or taxes on California residents based on the amount they drive.

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Implementation

When do lead agencies need to begin using VMT for land use projects?

Starting on July 1, 2020, VMT analysis in CEQA documents will be required statewide. If an environmental document has not yet been sent out for public review before July 1, 2020, the agency's environmental document must use VMT for analyzing transportation impacts using VMT as of July 1. (See CEQA Guidelines, § 15007(c) ["If a document meets the content requirements in effect when the document is sent out for public review, the document shall not need to be revised to conform to any new content requirements in Guideline amendments taking effect before the document is finally approved."].)

Note, agencies have the option to adopt the VMT metric before July 1st and many of the state's cities, which comprise nearly one-fifth of the state's population, have chosen to do so. Projects in jurisdictions that have already adopted VMT thresholds before July 1 should continue to implement those thresholds.

For details on the timeline for transportation projects, please refer to [Caltrans' SB 743 Website](#).

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Are lead agencies required to formally adopt VMT thresholds to begin using VMT?

No. Agencies do not have to take any formal action to start analyzing their projects using VMT ahead of the required July 1 implementation date. Agencies can simply apply the VMT metric on a project-by-project basis going forward. In general, agencies have the discretion to devise their own thresholds of significance, and an agency's choice of a threshold should be supported by substantial evidence. (*Mission Bay Alliance v. Office of Community Investment & Infrastructure* (2016) 6 Cal.App.5th 160, 206; see also CEQA Guidelines, § 15064(b)(1) ("The determination of whether a project may have a significant effect on the environment calls for careful judgment on the part of the public agency involved, based to the extent possible on scientific and factual data.")) For recommended thresholds of significance, please see OPR's [Technical Advisory on Evaluating Transportation Impacts in CEQA](#).

Some local agencies are choosing to formally adopt VMT thresholds that will be applied jurisdiction-wide. Pursuant to CEQA Guidelines section 15064.7, such thresholds must be adopted by ordinance, resolution, rule, or regulation. The thresholds must also be developed through a public review process, and be supported by substantial evidence. (CEQA Guidelines, § 15064.7(b).)

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What about draft documents that still use LOS? Do they need to be redone with a VMT analysis?

A CEQA document released for public review (e.g., draft EIRs and draft negative declarations) before July 1st is not required to incorporate a VMT analysis. Starting on July 1, 2020, a VMT analysis in CEQA documents will be required statewide.

Automobile delay, as described solely by LOS or similar measure of traffic congestion, is no longer considered a significant impact under CEQA, except in locations specifically identified in the Guidelines. (Pub. Resources Code, § 21099(b)(2).) This provision took effect when the update to the CEQA Guidelines was certified in late 2018. (Guidelines, § 15064.3.) Guideline section 15064.3 specifies that VMT analyses are voluntary until July 1, 2020. A recent appellate court decision (*Citizens for Positive Growth and Preservation v. City of Sacramento* (2019) 43 Cal.App.5th 609) confirmed that traffic congestion is no longer an environmental impact under CEQA, and VMT is not a required element of transportation analyses until July 1.

CEQA Guidelines section 15007(c) states that CEQA documents that meet requirements in effect when the document is sent out for public review do not need to be revised to include new requirements taking effect before the document is fully approved. (Guidelines, § 15007(c).) Because the effective date for statewide implementation of the VMT metric is July 1, agencies that have published CEQA documents for public review prior to July 1 using an LOS metric do not need to revise these documents to include an VMT analysis.

Consistent with current general practice, public agencies may use the checklist found in Appendix G of the CEQA Guidelines and tailor the questions to satisfy their individual needs and project circumstances. In doing so, agencies may choose to analyze environmental impacts associated with transportation in the discussion of other resource areas identified in Appendix G, such as air quality, noise, safety, and any other impacts; SB 743 does not modify the requirement to continue analyzing a project's potentially significant transportation impacts associated with these resource areas. (Public Resources Code, § 21099(b)(3).)

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Can I still tier from or rely on an environmental document that uses LOS?

A CEQA analysis prepared after July 1 may be able to rely on a previously certified EIR that analyzed traffic impacts using the LOS metric.

When tiering from an environmental document that used an LOS analysis, the agency should generally focus the analysis on impacts that were not analyzed as significant impacts in the prior

document and impacts that can be mitigated or avoided by the project being analyzed. (See Pub. Resources Code, § 21094; CEQA Guidelines, § 15152(d).) For example, an agency’s general plan EIR may serve as the first-tier document. Later-proposed site-specific projects may fall under the analysis of the general plan EIR; agencies should review the conditions in Public Resources Code section 20194 and Guidelines section 15152 to determine whether additional limited environmental analysis would be required. Please see CEQA Guidelines Appendix J for examples of using tiering in EIRs.

Additionally, there may be circumstances when public agencies are considering changes to already approved projects that were analyzed using LOS. When determining whether subsequent and supplemental analyses are required under Public Resources Code section 21166, the agency should focus the inquiry on whether there are substantial changes in the project or circumstances that would require major revisions of the document, or if new information, which was not known and could not have been known at the time of becomes available. (Pub. Resources Code, § 21166; CEQA Guidelines, §§ 15162-15163.) Agencies should review other streamlining provisions governing the bases for those analyses (see, e.g., CEQA Guidelines, § 15164 [addendum to an EIR or negative declaration]).

In reviewing the applicability of these conditions, an agency may use its discretion to determine that a VMT analysis is not required for later-prepared documents. (See, e.g., *CREED v. San Diego* (2011) 196 Cal.App.4th 515; *Concerned Dublin Citizens v. City of Dublin* (2013) 214 Cal.App.4th 1301, 1320.) But note that the agency’s determination should be supported by substantial evidence and should be guided by the circumstances of the project.

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Does SB 743 impact general plans that contain LOS standards?

SB 743 “does not preclude the application of local general plan policies, zoning codes, conditions of approval, thresholds, or any other planning requirements pursuant to the police power or any other authority.” (See Pub. Resources Code, § 21099(b)(4).) However, OPR has previously provided guidance on why LOS standards should not be included within general plans. (See OPR’s [General Plan Guidelines, Appendix B.](#))

Even if a general plan contains an LOS standard and a project is found to exceed that standard, that conflict should not be analyzed under CEQA. CEQA is focused on planning conflicts that lead to environmental impacts. (*The Highway 68 Coalition v. County of Monterey* (2017) 14 Cal.App.5th 883; see, e.g., Appendix G, IX(b) [asking whether the project will “Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?”].) Auto delay, on its own, is no longer an environmental impact under CEQA. (See Pub. Resources Code, § 21099(b)(2).)

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Does SB 743 impact any other part of CEQA?

SB 743 will make it easier to use two CEQA exemptions for infill projects that can only be used when a project will not have significant transportation/traffic impacts. These are Public Resources Code section 21159.25's statutory exemption for housing projects in unincorporated areas and the Class 32 categorical exemption for infill projects within city limits. (See Pub. Resources Code, § 21159.25, subd. (b)(5), CEQA Guidelines, § 15332, subd. (d).) After July 1st, these analyses should be conducted using the VMT metric. Infill projects are much less likely to have transportation impacts under a VMT metric as opposed to an LOS metric.

Additionally, note that SB 743 also discusses impacts from parking, stating that "the adequacy of parking for a project shall not support a finding of significance." (See Pub. Resources Code, § 21099(b)(3).)