

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 14, 2021

To: Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds, General Manager <sup>for</sup>  
Department of Transportation

Subject: **SECOND ANNUAL REPORT BACK ON CEQA TRANSPORTATION SECTION UPDATE  
IMPLEMENTING SENATE BILL 743 (CF 14-1169; CPC-2018-6577-MS)**

**SUMMARY**

As directed by the Los Angeles City Council (Council) on July 30, 2019, this report responds to Council File 14-1169 and provides a second annual update on the revised CEQA Transportation Section and associated transportation analysis procedures, as mandated by Senate Bill 743. This report also provides an overview of future resource needs related to transportation analysis modeling, transportation demand management monitoring, and expansion of CEQA mitigation options.

**RECOMMENDATION**

RECEIVE and FILE this report.

**BACKGROUND**

On September 27, 2013, Governor Jerry Brown signed Senate Bill (SB) 743 into law and initiated a process to change transportation impact analysis procedures to comply with the California Environmental Quality Act (CEQA). In August 2014, the Governor's Office of Planning and Research (OPR) proposed to replace level of service (LOS) with vehicle miles traveled (VMT), an estimate of the average amount and distance people drive by vehicle to reach a destination. The updated CEQA Guidelines took effect on December 28, 2018.

In response to SB 743, and direction from the City Council (CF 14-1169), LADOT partnered with the Department of City Planning (LACP) to modernize the City's CEQA transportation analysis procedures and establish transportation thresholds and guidelines that meet the intent of SB 743 and advance City environmental goals.

On February 28, 2019, the City Planning Commission (CPC) unanimously recommended that the City Council adopt new transportation impact thresholds. On June 25, 2019, the Transportation Committee unanimously recommended that the City Council adopt two resolutions, the first updating citywide CEQA thresholds and the second opting out of the regional Congestion Management Program. The Transportation Committee instructed LADOT and LACP to report back annually for two years on the status of the implementation efforts and required updates. On July 30, 2019, the City Council unanimously adopted the Transportation Committee's report and resolutions.

LADOT and LACP provided a first annual update to Council on September 16, 2020 that included: a status update, summary on LADOT's actions in response to COVID-19, statewide coordination efforts, awards and recognitions, and future update and resource needs. The report detailed LADOT's commitment to a process that can evolve based on feedback, as substantiated by data.

LADOT's leadership in the statewide shift to VMT earned the City a SCAG 2020 Sustainability Award of Merit for Efficient and Sustainable Land Use and an American Society of Civil Engineers (ASCE) 2020 award for Outstanding Urban and Land Development.

## DISCUSSION

LADOT continues to help applicants and transportation practitioners adjust to the updated CEQA transportation analysis procedures. LADOT conducted a survey of transportation practitioners in August and September 2021 to gather additional data and understand specific concerns. A total of 9 firms responded to the targeted survey. The firms collectively completed approximately 300 transportation studies in Los Angeles since the updated transportation thresholds and procedures were adopted in July 2019. Survey respondents noted that the shift to VMT reduced the number of transportation analyses that cannot be mitigated, ensuring that projects have opportunities to directly address transportation-related environmental concerns. Respondents also indicated that LADOT's effort to modernize transportation analysis will continue to make it easier to mitigate transportation impacts and improve quality of life outcomes citywide and regionally. LADOT is reviewing survey recommendations to further improve procedures, and will incorporate them in a forthcoming update to the Transportation Assessment Guidelines.

### Transportation Analysis Status Update

Project applicants and transportation practitioners who submit transportation analyses generally rely on the City's VMT Calculator to analyze transportation impacts of land use projects. The VMT Calculator is a user-friendly, spreadsheet-based tool that requires basic project information to screen and assess project impacts. The VMT Calculator is available for download on the LADOT website and has been downloaded approximately 1,545 times as of July 31, 2021.

Between August 1, 2020 and July 31, 2021, LADOT completed approximately 120 transportation impact studies for land use proposals (**Attachment A**), similar to previous calendar years. LADOT completed approximately 128 studies in the same time period from 2019-2020 and approximately 178 studies in 2018-2019. Factors outside the City's transition in transportation analysis may have influenced this slight drop in the number of studies submitted to LADOT since 2018-2019. Development applications increased from 20011 - 2019 during the economic upturn following the 2008 economic crash. The COVID-19 pandemic was also likely a factor in a slow down in transportation study submissions since March 2020.

Notably, LADOT's data show that since the adoption of VMT, fewer projects have been found to have unmitigatable transportation impacts. Only about 2% of total project analyses reviewed by LADOT in the past two years had unmitigatable transportation impacts compared with 7% in the year prior to VMT adoption (**Attachment B**). Unmitigatable impacts under CEQA can result in applicants filing Statements of Overriding Considerations, which is less desirable than alternative CEQA documents that better address transportation-related environmental concerns. LADOT's findings indicate that the City's

updated thresholds and procedures are meeting this core objective of the State legislation (Senate Bill 743) to better link transportation impacts with desired outcomes of reducing greenhouse gas emissions, connecting multimodal transportation networks, and increasing the diversity of land uses.

While the number of transportation impact studies have decreased since 2018-2019, the number of issued building permits that LADOT Development Review offices reviewed increased dramatically this fiscal year. In the previous two fiscal years, the number of issued permits was 507 in Fiscal Year (FY) 18/19 and 665 in FY 19/20. In FY 20/21, the number of issued permits almost doubled to 1,123.

### Impact of COVID-19

When the “Safer at Home” public orders took effect, LADOT transitioned from in-person development review appointments to virtual, providing continued support to practitioners and developers in a safe, distanced manner in line with public health guidance. In-person options, including plan drop-off or pick-up, remained available by appointment only. LADOT also created online forms to facilitate project intake and direct applicants to the appropriate office. LADOT continues to participate in weekly coordination sessions with all other development review departments to quickly address concerns and ensure that applications are appropriately and expeditiously processed.

In response to the public health emergency, LADOT delayed the VMT analysis mandate for projects with transportation studies that had delays caused by the COVID-19 pandemic. LADOT also provided guidance for collecting and estimating existing traffic count data during the “Safer at Home” order.

In LADOT’s survey of transportation practitioners conducted in August and September 2021, respondents noted that the changes LADOT implemented during the COVID-19 pandemic, including virtual appointments and clearances, are efficient and effective. They encouraged LADOT to continue online services in the future.

### Future Updates & Resource Needs

#### *Transportation Demand Forecasting Model & VMT Calculator Update*

This fiscal year, LADOT will initiate a process to update the 2016 citywide travel demand forecasting model. Travel Demand Forecasting estimates future travel behavior and demand based on assumptions including land use, trip making, and transportation system characteristics. Travel demand forecasting models predict project-related VMT and other metrics that are disclosed through the environmental review process and can assist policy makers in making informed decisions. The model is updated on a 4-year cycle, following the update of the SCAG Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS), which was approved on September 3, 2020. The City’s transportation demand forecasting model update process refines the SCAG area model with more granular, city data to more accurately forecast how Angelenos travel, which includes calculations such as VMT. LADOT will also update the applicant-facing VMT Calculator, which is a user-friendly tool derived from the model that enables applicants to calculate their land use projects’ VMT impacts.

#### *Transportation Demand Management Program*

LADOT is collaborating with the Department of City Planning to update the City’s Transportation

Demand Management (TDM) Program, which is complementary to the adoption and implementation of VMT. This update will lower the threshold for compliance to include additional land use projects and offer a greater array of transportation demand strategies that can reduce VMT, improve air quality, and improve access to mobility options and opportunity. The TDM Program is anticipated to holistically reduce VMT from new development citywide. This shift may eventually require updated CEQA Transportation thresholds. LADOT will require consultant services to conduct this analysis as part of the forthcoming TDF Model and VMT Calculator updates.

The success of the TDM Program relies on a robust monitoring framework that ensures applicants and property managers comply with ordinance requirements. Monitoring can reinforce a transparent framework for applicants, staff, and the public. Monitoring data can also improve City staff's ability to make data-driven decisions to improve mobility management, including piloting new strategies and refining location and land use compatibility for mobility programs. LADOT will seek contractual services to establish a monitoring program for TDM.

#### *Expanding VMT Mitigation Options*

LADOT is also collaborating with SCAG and LA Metro on the VMT Exchange Program, which was funded by a Caltrans Planning Grant in 2018. The project team, including Fehr and Peers and a technical advisory committee, is exploring ways to increase mitigation options for projects with transportation impacts. These options may include establishing a VMT Exchange or VMT Bank program. This program would function similarly to a Cap and Trade program, effectively allowing projects to offset land use related VMT with transportation projects within the neighborhood or region that reduce overall VMT. These programs can help improve the equitable distribution of mobility solutions, regardless of the location of development projects, by bringing new infrastructure or programs to areas of the city experiencing less development. They can also contribute to neighborhood scale or regional infrastructure projects that have greater ability to meet the VMT reduction goals outlined by the State.

#### **FISCAL IMPACT**

No impact to the City's General Fund is anticipated by this action.

SJR:tc/rg

#### Attachments

Attachment A: Completed Transportation Impact Studies by Geography

Attachment B: Transportation Impact Studies Mitigatable Impacts

**Attachment A:** Transportation impact studies completed by LADOT Development Review Offices per Area Planning Commission (APC) over a three year period pre- and post-adoption.

<b>Pre Adoption: 8/1/2018 to 7/31/2019</b>				
<b>APC</b>	Metro	Valley	West LA	<b>Total</b>
Central	69	0	0	<b>69</b>
East Los Angeles	15	0	0	<b>15</b>
Harbor	3	0	5	<b>8</b>
North Valley	1	14	0	<b>15</b>
South Los Angeles	18	0	0	<b>18</b>
South Valley	0	26	0	<b>26</b>
West Los Angeles	2	0	23	<b>25</b>
Outside City	2	0	0	<b>2*</b>
<b>Total</b>	<b>110</b>	<b>40</b>	<b>28</b>	<b>178</b>

<b>First Year Post Adoption: 8/1/2019 to 7/31/2020</b>				
<b>APC</b>	Metro	Valley	West LA	<b>Total</b>
Central	65	0	0	<b>65</b>
East Los Angeles	7	0	0	<b>7</b>
Harbor	0	0	6	<b>6</b>
North Valley	0	8	0	<b>8</b>
South Los Angeles	13	0	0	<b>13</b>
South Valley	1	14	0	<b>15</b>
West Los Angeles	0	0	14	<b>14</b>
Outside City	0	0	0	<b>0*</b>
<b>Total</b>	<b>86</b>	<b>22</b>	<b>20</b>	<b>128</b>

<b>Second Year Post Adoption: 8/1/2020 to 7/31/2021</b>				
<b>APC</b>	Metro	Valley	West LA	<b>Total</b>
Central	66	0	0	<b>66</b>
East Los Angeles	7	0	0	<b>7</b>
Harbor	0	0	1	<b>1</b>
North Valley	0	10	0	<b>10</b>
South Los Angeles	6	0	2	<b>8</b>
South Valley	0	22	0	<b>22</b>
West Los Angeles	1	0	5	<b>6</b>
Outside City	0	0	0	<b>0*</b>
<b>Total</b>	<b>80</b>	<b>32</b>	<b>8</b>	<b>120</b>

*\*Reporting does not capture all projects outside City of LA*

**Attachment B:** Transportation Assessments that require transportation mitigation or have unmitigatable transportation impacts over a three year period pre- and post-adoption.

<b>Pre Adoption: 8/1/2018 to 7/31/2019</b>		
<b>Office</b>	<b>Projects requiring mitigation(s)</b>	<b>Projects with unmitigatable impact(s)</b>
Metro	20	11
Valley	6	0
West LA	2	0
<b>Totals</b>	<b>28</b>	<b>11 (6.74%)</b>

<b>Post Adoption: 8/1/2019 to 7/31/2020</b>		
<b>Office</b>	<b>Projects requiring mitigation(s)</b>	<b>Projects with unmitigatable impact(s)</b>
Metro	15	1
Valley	6	2
West LA	2	0
<b>Totals</b>	<b>23</b>	<b>3 (2.34%)</b>

<b>Post Adoption: 8/1/2020 to 7/31/2021</b>		
<b>Office</b>	<b>Projects requiring mitigation(s)</b>	<b>Projects with unmitigatable impact(s)</b>
Metro	9	1
Valley	6	1
West LA	1	0
<b>Totals</b>	<b>16</b>	<b>2 (1.56%)</b>