

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE: (1) APPROVING AMENDMENTS TO CITY COUNCIL POLICY 5-3, ENTITLED “TRANSPORTATION IMPACT POLICY”; (2) APPROVING A NEW CITY COUNCIL POLICY 5-1, ENTITLED “TRANSPORTATION ANALYSIS POLICY” TO UPDATE TRANSPORTATION ANALYSIS REQUIREMENTS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SENATE BILL 743 AND ENVISION SAN JOSE 2040 GENERAL PLAN; AND (3) DELEGATING AUTHORITY TO THE CITY MANAGER OR DESIGNEE TO PROMULGATE GUIDELINES TO IMPLEMENT CITY COUNCIL POLICY 5-1

WHEREAS, the California Environmental Quality Act (CEQA) was enacted by the State of California in 1970 to ensure the long-term protection of the environment and requires public agencies to analyze and disclose the effects of their actions on the environment; and

WHEREAS, the California Office of Planning and Research develops the CEQA Guidelines to interpret CEQA statutes and published court decisions, including several appendices to the CEQA Guidelines that contain forms and guidance for lead agencies when performing environmental review; and

WHEREAS, in order to carry out their mandate under CEQA, public agencies are encouraged to develop standards and procedures necessary to evaluate their actions including thresholds of significance; and

WHEREAS, thresholds of significance are identifiable quantitative, qualitative or performance level measures of a particular environmental effect, non-compliance with which means the effect will normally be determined to be significant, and compliance with which means the effect normally will be determined to be less than significant; and

WHEREAS, in circumstances where public agencies decide to develop their own thresholds of significance for general use, the CEQA Guidelines provide that thresholds of significance must be formally adopted through a public review process and supported by substantial evidence; and

WHEREAS, the City of San José, as a lead agency on certain projects, implements CEQA pursuant to Title 21 of the San José Municipal Code; and

WHEREAS, in 1978, the San José City Council first established a Transportation Level of Service Policy (“Council Policy 5-3”) to meet CEQA requirements and enable the City to require that new development include mitigation measures to reduce its transportation impacts and to conform to the Horizon 2000 General Plan. This policy addressed impacts to Level of Service (“LOS”) at signalized intersections and required mitigation, typically in the form of expanded roadways and intersections, to accommodate estimated increases in vehicular traffic associated with new development; and

WHEREAS, in 1987, the City Council adopted City Council Policy 5-4 to establish “alternate” traffic mitigation measures allowed under the Horizon 2000 General Plan; and

WHEREAS, in 2002, the City Council adopted amendments to the San José 2020 General Plan to allow flexibility in the San José 2020 General Plan’s vehicular traffic and transportation policies to support multi-modal transportation goals and smart growth land use principles; and

WHEREAS, in 2005, in alignment with the changes to the San José 2020 General Plan, the City Council adopted a new Multi-Modal Transportation Policy 5-3, consolidating the two previous Council Policies (Council Policy 5-3, “Transportation LOS,” and Council

Policy 5-4, “Alternate Traffic Mitigation Measures”) into a single Council Policy 5-3 entitled “Transportation Impact Policy” (the “Policy”) (Resolution No. 72765.1); and

WHEREAS, pursuant to the Policy, LOS is utilized to measure automobile delay at intersections and is represented as a letter grade A through F. LOS A represents little to no automobile delay, while LOS F represents congested conditions with substantial amounts of automobile delay. Under the Policy, a development project causing the LOS at signalized intersections to degrade below the LOS D standard represents a significant impact under CEQA. The Policy also includes exemptions for 1) the Downtown area, in recognition of the unique position of the Downtown as the transit hub of Santa Clara County and as the City’s center of financial, business, institutional and cultural activities, and 2) small, infill projects; and

WHEREAS, the Policy is still in effect today and provides a process for the analysis and consideration of the overall conformance of a proposed development with the City’s General Plan smart growth and multi-modal transportation policies. It is also used as the environmental analysis threshold of significance and as a tool for transportation planning and operational analysis; and

WHEREAS, in 2011, the City Council adopted the Envision San José 2040 General Plan to guide growth and investment in San José. The 2040 General Plan continued the evolution of longstanding growth management and environmental sustainability policies, and established an updated framework to enhance job growth and create great places; and

WHEREAS, the 2040 General Plan aims to transform San José from a City built around automobile use to one that prioritizes people. It recognizes that access (being able to get to the things you need) is a function of two things, mobility and proximity; and

WHEREAS, in 2013, the State of California Legislature passed and Governor Brown signed Senate Bill 743 (Steinberg). Senate Bill 743 directs the California Office of Planning and Research to produce new CEQA guidance for cities that removes automobile LOS from transportation analysis under CEQA and replaces it with Vehicles Miles Travelled (VMT), or another measure that “promote[s] the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” The intent of this change is to shift the focus of transportation analysis from driver delay to the reduction of greenhouse gas (GHG) emissions, creation of multimodal networks, and promotion of integrated land uses; and

WHEREAS, VMT measures the amount and distance people drive, taking the number of passengers within a vehicle into account. Typically, development at a greater distance from other uses, located in areas with poor access to non-auto modes of travel, generates more driving than one that is located proximate to other complementary uses and/or where there are transportation options other than the automobile. The information used to calculate VMT is already required to calculate and factor LOS impacts and air quality and GHG emissions; and

WHEREAS, the California Office of Planning and Research published a preliminary evaluation of possible metrics to replace LOS in CEQA transportation analyses in December 2013, invited public comment on that evaluation, and used those comments to develop the Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing Senate Bill 743, released in August 2014. On January 20, 2016, California Office of Planning and Research released a revised proposal for changes to the CEQA Guidelines to implement Senate Bill 743; and

WHEREAS, the California Office of Planning and Research submitted the proposed guidelines to the California Natural Resources Agency in late 2017 to commence the

formal rulemaking process and recommends all public agencies be in compliance with Senate Bill 743 by January 1, 2020; and

WHEREAS, the existing LOS CEQA significance criteria in the Policy are not aligned with Senate Bill 743 and other City plans, ordinances, and policies related to transportation, including, among others, the Transportation Element of the General Plan, Greenhouse Gas Reduction Ordinance, Downtown Strategy, and other specific plans and policies; and

WHEREAS, the City is updating the Policy to bring the City of San José's transportation analysis in line with State and City goals as directed in Senate Bill 743 and the Envision San José 2040 General Plan; and

WHEREAS, the City proposed to adopt a new San José City Council Policy 5-1, entitled "Transportation Analysis Policy" ("Policy 5-1") that establishes:

- 1) The transportation analysis framework for proposed developments, land use plans, and transportation projects in the City of San José;
- 2) VMT based analysis for transportation impacts under CEQA; and
- 3) The requirement that projects perform Local Transportation Analysis to analyze their conformance with the multimodal transportation strategies, goals, and policies in the General Plan and address adverse effects found in that analysis to the transportation system.

WHEREAS, the City proposes to also amend the existing Policy to provide a transition from the existing Policy to the proposed Policy 5-1; and

WHEREAS, on August 23, 2017, the Planning Commission for the City of San José (“Planning Commission”) held a Study Session to review the proposed Policy 5-1; and

WHEREAS, prior to the Study Session for the City of San José Planning Commission, outreach efforts were conducted with community groups, developers, and other jurisdictions; and

WHEREAS, on October 6, 2017, the City Council held a Study Session to review the proposed Policy 5-1; and

WHEREAS, prior to the Study Session for the City Council, outreach efforts were continued with community groups, developers, and other jurisdictions; and

WHEREAS, pursuant to Public Resources Code Section 21080(b)(1), the proposed adoption of the related General Plan Text Amendment, adoption of new a City Council Transportation Analysis Policy 5-1, amendment to the existing City Council Transportation Impact Policy 5-3, and related adoption of Infill Opportunity Zones, are ministerial actions and pursuant to Guidelines 15268(a), ministerial actions are exempt from the requirements of CEQA; and

WHEREAS, the City Council of the City of San José is the decision-making body for this Resolution and has considered the environmental clearance described above prior to taking any action on this Resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The recitals above are incorporated herein as findings for the amendment of City Council Policy 5-3 and adoption of City Council Policy 5-1.
2. City Council Policy 5-3, entitled "Transportation Impact Policy", is hereby amended as set forth in Exhibit "A".
3. City Council Policy 5-1, entitled "Transportation Analysis Policy", as set forth in Exhibit "B," is hereby adopted.
4. The City Manager or designee is authorized to promulgate guidelines necessary to implement the requirements of City Council Policy 5-1. The guidelines shall be published on the City's website.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

City of San José, California

COUNCIL POLICY

TITLE	TRANSPORTATION IMPACT POLICY	PAGE	POLICY NUMBER
		1 of 12	5-3
EFFECTIVE DATE: September 5, 1978		REVISED DATE: February 27, 2018	
APPROVED BY COUNCIL ACTION September 5, 1978; Revised August 26, 1980; Revised by Resolution Nos. 72765.1 and 72765.2 on June 21, 2005; Revised by Resolution No. 78002 on December 6, 2016; Revised by Resolution No. [REDACTED] on February 27, 2018.			

BACKGROUND

The San José City Council adopted the following City Policy on June 21, 2005 (the "Policy"). The Policy was last amended on December 6, 2016. This Policy previously repealed and replaced Council Policies 5-3, "Transportation Level of Service" and 5-4, "Alternate Traffic Mitigation Measures".

APPLICABILITY OF POLICY

On February 27, 2018, the San José City Council adopted a new City Council Policy 5-1, "Transportation Analysis Policy." Policy 5-1 will eventually replace this Policy 5-3 for transportation analysis in the City. As the City transitions from this Policy 5-3 to the new Policy 5-1, certain projects will continue to be subject to this Policy 5-3. See Policy 5-1 for further details of whether Policy 5-1 or Policy 5-3 applies to the proposed project and when Policy 5-1 will replace this Policy 5-3.

PURPOSE

The purpose of this Policy is to guide analyses and determinations regarding the overall conformance of a proposed development with the various multi-modal transportation policies in the City's Envision San José 2040 General Plan ("General Plan"), in order to provide a safe, efficient, and environmentally sensitive transportation system for the movement of people and goods.

POLICY

I. TRANSPORTATION POLICIES AND PROGRAMS

A. General Plan and Adopted Council Policies

Specific multi-modal transportation policies that are included in the City's adopted General Plan, or have otherwise been formally adopted by the City Council include the following:

Pedestrians General Plan policies encourage pedestrian travel between high density residential and commercial areas throughout the City. Pedestrian access is particularly encouraged for access to facilities such as schools, parks and transit stations, and in neighborhood business districts.

Bicycles General Plan policies encourage a safe, direct and well-maintained bicycle network that links residences with employment centers, schools, parks, and transit facilities. Bicycle lanes are considered appropriate on arterials and major collectors. Bicycle safety is to be considered in any improvements to the roadway system undertaken for traffic operations purposes

Neighborhood Streets General Plan policies discourage inter-neighborhood movement of people and goods on neighborhood streets. Streets are to be designed for vehicular, bicycle and pedestrian safety. Neighborhood streets should discourage both through vehicular traffic and unsafe speeds.

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Private Developments When a Transportation Impact Analysis finds that a proposed development project would create an adverse traffic condition within an existing neighborhood, the City's Department of Transportation, other City staff, and the developers consultants will work to ensure that the development will include appropriate measures, including traffic calming measures where appropriate, to minimize the adverse impacts to the neighborhood.

New development should create a pedestrian friendly environment that is safe, convenient, pleasant, and accessible to people with disabilities. Connections should be made between the new development and adjoining neighborhoods, transit access points, community facilities, and nearby commercial areas.

Transit Facilities General Plan policies state that all segments of the City's population are to be provided access to transit. Public transit systems should be designed to be attractive, convenient, dependable and safe.

Vehicular Traffic The General Plan provides that the minimum overall performance of signalized intersections within the City should achieve a minimum level of service. A development that would cause the performance of an intersection to fall below the minimum level of service needs to provide vehicular related improvements aimed at maintaining the minimum level of service and/or offsetting improvements. If necessary to reinforce neighborhood preservation objectives and meet other General Plan policies, the Council may adopt a policy to establish alternative mitigation measures

Regional Freeways General Plan policies encourage the City's continued participation in inter-jurisdictional efforts, such as the Santa Clara County Congestion Management Agency, to develop and implement appropriate techniques to improve the regional transportation system.

B. Implementation Programs

In support of these policies, the City relies upon a number of implementation policies, ordinances, programs, and development processes to maintain and improve the multi-modal transportation system. Specific techniques for protecting neighborhoods from significant traffic effects, and for ensuring that the burden of serving new development does not fall disproportionately upon existing neighborhoods and businesses, presently include the following:

- (a) requiring that all new developments improve their own public street frontage;
- (b) requiring that all new developments maintain an overall standard of Level of Service D or better at signalized intersections unless the intersections are covered by an Area Development Policy or are otherwise designated by the City Council as exempt from this policy;
- (c) collecting taxes from new development for the purpose of maintaining existing streets and roadways. 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)
- (d) implementing a Council "Traffic Calming Policy" (Council Policy 5-6) that provides City resources to prevent, offset, or minimize adverse effects of vehicular cut-through traffic on residential neighborhoods.

II. TRAFFIC LEVEL OF SERVICE

The following language addresses the specific methods for implementing item I.B.(b), above, the City's adopted General Plan Level of Service Policy for Traffic, including its applicability and scope and an explanation of relevant concepts. This Policy serves as a growth management tool. It establishes a threshold for environmental impact, and requires new developments to mitigate significant impacts. This Policy serves the City by helping to protect neighborhoods, manage congestion, and build transportation infrastructure.

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A. Application of Policy

1. Geographic Areas

This Policy applies to all geographic areas of the City with the following exceptions:

- The Downtown Core Area, as defined by the City's General Plan. The Downtown Core Area is exempt from the City's Transportation Level of Service Policy.
- Any area subject to an Area Development Policy adopted pursuant to the City's General Plan. Each Area Development Policy includes its own guidelines for implementation of the Level of Service Policy. (The General Plan states that an "area development policy" may be adopted by the City Council to establish unique traffic level service standards for a specific geographic area.)
- Specific intersections within Special Strategy Areas that are not required to meet a minimum LOS D. As described in Section III of this Policy, Special Strategy Areas are identified in the City's adopted General Plan and include Neighborhood Business Districts, Urban Villages, Transit Station Areas, and Specific Plan Areas.

2. Types of Developments

This Policy applies to all developments within the applicable geographic areas, except the following types of infill projects shall be exempted from Section I.B. of this Policy, because the Council finds that these projects, individually and cumulatively, will not cause a significant degradation of transportation level of service and subject projects will further other City goals and policies:

- All retail commercial buildings containing (5,000) square feet of gross area or less.
- All office buildings containing (10,000) square feet of gross area or less.
- All industrial buildings of (30,000) square feet or less.
- All single-family detached residential projects of (15) dwelling units or less.
- All single-family attached or multi-family residential projects of (25) units or less.

In no case shall any of these above types of infill projects be exempted if they are increments of a larger project or parcel.

B. Policy Implementation

1. Level of Service

As used in this Policy, Level of Service is a measure of traffic congestion at those signalized intersections that are within the areas subject to this policy. The standards used by the City of San José to measure the Level of Service are described in the following table.

The City's goal is to achieve an overall Level of Service of 'D' at signalized intersections. City staff shall determine the appropriate methodology for determining the Level of Service, and shall apply that methodology in a consistent manner.

Level of Service	Description
A	No congestion. All vehicles clear in a single signal cycle.
B	Very light congestion. All vehicles clear in a single signal cycle.
C	Light congestion, occasional back-ups on some approaches or turn pockets.
D	Significant congestion on some approaches, but intersection is functional. Vehicles required to wait through more than one cycle during short peaks.
E	Severe congestion with some long back-ups. Blockage of intersection may occur. Vehicles are required to wait through more than one cycle.
F	Total breakdown. Stop and go conditions.

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2. Transportation Impact Analysis

When the City determines through the application of its technical methodology that a proposed development may result in a substantial increase in traffic congestion, the applicant must prepare a Transportation Impact Analysis (TIA) to evaluate those project impacts. The TIA must comply with relevant professional standards and the methodology promulgated by City staff. In addition to describing the existing vehicular transportation facilities in the project area, the TIA must also identify the existence, status and condition of pedestrian, bicycle and transit systems and facilities that would serve, or will be impacted by, the proposed development.

The developer must complete the proposed TIA prior to or in conjunction with the analysis of environmental impacts prepared to satisfy the requirements of the California Environmental Quality Act (CEQA).

a. Significant LOS Impacts

A significant LOS impact occurs when the TIA demonstrates that the proposed development would either: (1) cause the level of service at an intersection to fall below LOS D, or (2) contribute the equivalent of 1% or more to existing traffic congestion at an intersection already operating at LOS E or F.

It has long been San José's Policy that adding 1% or more to an already congested intersection is a substantial increase in congestion and constitutes a significant impact, and that is still the intention of this Policy.

When a significant impact occurs, then the TIA must also identify improvements that would reduce traffic congestion so that the intersection operates at the level that would exist without the proposed project. These traffic improvements will be referred to as LOS Traffic Improvements.

b. Mitigation for LOS Impacts

The proposed development is required to include construction of all LOS Traffic Improvements identified in the TIA as necessary to mitigate the significant LOS impacts, unless the TIA demonstrates that these improvements would have an unacceptable impact on other transportation facilities (such as pedestrian, bicycle, and transit systems and facilities), as such impacts are described in the next section of this policy. Implementing mitigation measures that cause unacceptable impacts in order to reduce the impacts of traffic congestion from a new development, is not consistent with the City's General Plan policies. In order to achieve conformance with the City's General Plan Traffic Level of Service and other transportation policies, alternative mitigation measure(s) that do not have unacceptable impacts, and that would reduce traffic congestion so that the intersection operates at the level that would exist without the proposed project, must be identified and implemented.

3. Unacceptable Impacts of Mitigation

For purposes of this Council Policy, an LOS Traffic Improvement has an unacceptable impact if the TIA demonstrates that the improvement would result in a physical reduction in the capacity and/or a substantial deterioration in the quality (aesthetic or otherwise) of any other planned or existing transportation facilities (such as pedestrian, bicycle and transit systems and facilities).

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The following are examples of the kinds of impacts that would be considered unacceptable:

- reducing the width of a sidewalk below minimum city standard
- eliminating a bicycle lane or reducing its width below city standard
- eliminating a bus stop or eliminating a parking lane that accommodates a bus stop
- eliminating a parking strip (between sidewalk and street) that contains mature trees
- encouraging substantial neighborhood cut-through traffic
- creating unsafe pedestrian and/or automobile operating conditions

III. SPECIAL STRATEGY AREAS

A. Background

To continue to expand local intersections in order to increase their vehicular capacity may, under certain circumstances, result in a deterioration of the local environmental conditions near those intersections, and an erosion of the City's ability to both encourage infill in designated Special Strategy Areas, and to support a variety of multi-modal transportation systems.

The City of San José has identified certain local intersections for which no further physical improvement is planned. These specific intersections, because of the presence of substantial transit improvements, adjacent private development, or a combination of both circumstances, cannot be modified to accommodate additional traffic and operate at LOS D or better, in conformance with all relevant General Plan policies. These intersections are all well within the Urban Service Area and the Greenline Urban Growth Boundary of the City. Future infill development that is otherwise consistent with other General Plan policies encouraging Smart Growth may, therefore, generate additional traffic through these intersections, resulting in a level of congestion that would not otherwise be consistent with the rest of this Policy.

B. Application

Any intersection that is added to the List of Protected Intersections must be located within designated Special Strategy Areas as shown in Exhibit I attached to this Policy, and consistent with the General Plan. The process of adding to the List of Protected Intersections is described in greater detail in the Implementation Procedures in Appendix A of this Policy.

C. Protected Intersections

This Policy therefore acknowledges that exceptions to the City's policy of maintaining LOS D at local intersections will be made for certain Protected Intersections that have been built to their planned maximum capacity. A list of these intersections will be approved by the City Council, subsequent to completion of the appropriate CEQA review. The list may be modified by the Council in the future. Any decision to modify the list will only be made after appropriate public review and consideration of any adverse impacts that might result from such a decision.

If a proposed development project would cause a significant LOS impact [as defined in Section II.B(2) above] at one or more of these Protected intersections, the proposed development will include construction of specific improvements to other segments of the citywide transportation system, in order to improve system capacity and/or enhance non-auto travel modes.

The physical improvements that would be included in the proposed development will be capacity enhancing improvements to the citywide transportation systems. First priority for such improvements will be those improvements identified that would be proximate to the neighborhoods impacted by the development project traffic. The process for identifying and approving these improvements is described in Appendix A of this Policy.

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By funding these improvements to the City's overall multi-modal transportation system, the development project will contribute substantially to achieving General Plan goals for improving and expanding the City's multi-modal transportation system. The development project would, therefore, be consistent with the City's General Plan multi-modal Transportation Policies, including the Traffic Level of Service Policy.

D. Applicability to Subsequent Projects

A determination of General Plan conformance for a particular development project would not be applicable to subsequent, different development projects that have LOS impacts on the same Protected Intersection. Any individual project that would result in LOS impacts must be evaluated in the context of its own impacts and its own efforts to conform to this Policy.

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COUNCIL POLICY MANUAL

City of San José

APPENDIX A TO COUNCIL POLICY 5-3 POLICY IMPLEMENTATION PROCEDURES¹

The applicant² for any proposed development project that might generate a substantial amount of traffic is required to submit a Traffic Impact Analysis (TIA) that identifies (a) project traffic impacts on nearby intersections, and (b) mitigation for any impact identified as significant. The TIA must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works and needs to identify not only impacts from project traffic but also possible impacts from any proposed mitigation measures. This must include impacts on roadways and roadway capacity, and on any facilities or systems for alternative forms of transportation (such as transit stops, sidewalks, bicycle lanes, etc.), whether within the public right-of-way or not.

If the TIA concludes that the project would not result in significant traffic Level of Service (LOS) impacts to any intersections or freeway segments, or impacts to any alternative transportation modes, the project can be identified as conforming to the General Plan Traffic LOS Policy. If the project would result in a significant traffic LOS impact, and its proposed LOS mitigation 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 would need to be modified in order to avoid both the significant traffic LOS impact and the unacceptable impact(s) on other transportation facilities. The modification could be one or a combination of the following:

- (1) a reduction in the size of the project (less square footage or number of units proposed, etc.) to a degree that would avoid the need for traffic LOS mitigation, or
- (2) the identification of a different mitigation measure that would reduce the traffic LOS impact to an acceptable level and would not itself have unacceptable impacts, or
- (3) modification of the project design to avoid the significant traffic LOS impact and/or the unacceptable impact(s) on other transportation facilities.

Please see the discussion below in *Unacceptable Mitigation Measures – Citywide* for a description of what constitutes an unacceptable impact.

The directions for preparing a TIA, including the thresholds for triggering its preparation and the criteria used both to determine the significance of traffic impacts and to evaluate the effectiveness of mitigation measures, are described in the detailed methodology prepared and maintained by the City's Department of Transportation, consistent with prevailing professional standards in the field.

Unacceptable Mitigation Measures - Citywide

Unacceptable mitigation measures include any LOS Traffic Improvement that would result in substantial degradation of or a reduction in capacity for alternative transportation modes. If any of the LOS Traffic Improvements that are necessary to avoid significant traffic 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, 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;
- eliminating a park strip (between sidewalk and street) that contains mature trees that shade and protect the sidewalk³;
- encouraging substantial neighborhood cut-through traffic;

If an LOS Traffic Improvement proposed to mitigate a project impact would itself have unacceptable impacts, the applicant must identify another mitigation measure. If any LOS Traffic Improvement/mitigation measure proposed requires acquisition of right-of-way and/or affects an existing private development near the intersection or elsewhere, sufficient information about the all of the impacts of right-of-way acquisition and redesign of the intersection must also be provided so that the City decision makers and the public will know what the full effects of the mitigation measure would be.

If a proposed project fails to provide acceptable mitigation for significant traffic impacts (at other than Protected Intersections), in other words, if the proposed project does not avoid significant impacts to both roadways and other modes of transportation in a manner that is acceptable under the Policy, the proposed project cannot be found under this Policy to conform to General Plan transportation policies, or to have less than significant impacts on the physical environment.

List of Protected Intersections

The City Council has approved a List of Protected Intersections that have been built to their planned maximum capacity, as stated in this Policy. It is the City's intention that no further expansion of those intersections will occur. In creating this list, an environmental impact report ("EIR") was prepared and that EIR was certified by the City Council, all as required under the provisions of the California Environmental Quality Act of 1970, as amended ("CEQA"), that acknowledged that traffic congestion at those Protected Intersections will eventually exceed the City LOS Standard of D.

Additions to List of Protected Intersections

The City Council may decide in the future, based on recommendations from City staff or others, that one or more additional intersections should be added to the List of Protected Intersections. To be eligible for the list, intersections must be at infill locations and within designated Special Strategy Areas as shown in Exhibit I attached to this Policy, and consistent with the General Plan. Special Strategy Areas include Neighborhood Business Districts, Urban Villages, Transit Station Areas, and Specific Plan Areas.

Any addition to the List of Protected Intersections must be approved by the City Council. Any revision will undergo the appropriate CEQA review, including an analysis of future conditions that include traffic from planned and reasonably foreseeable development. The current list will be maintained and promulgated by the Director of Transportation. Intersections that are added to the list will be already built to their maximum capacity, where further expansion would cause significant adverse effects upon existing or approved transit or other multi-modal facilities, nearby land uses, or local neighborhoods.

Intersections added to the List of Protected Intersections that are also designated on the Santa Clara County Congestion Management Plan (CMP) must still meet CMP requirements.

Impacts to Protected Intersections

If a TIA is prepared and identifies a significant LOS impact to a Protected Intersection that is on the Council-approved List of Protected Intersections, the project would not be required in that particular instance to provide further vehicular capacity-enhancing improvements to that intersection in order for the City to find project conformance with the General Plan. Instead, as described below, General Plan conformance could still be found if the applicant chooses to provide improvements to other parts of the citywide transportation system in order to improve transportation systemwide roadway capacity or to enhance non-auto travel modes in furtherance of the General Plan goals and policies described in this Council Policy. The improvements would be within the project site vicinity or within the area affected by the project's vehicular traffic impacts. With the provision of such other transportation infrastructure improvements, the project would not be required to provide any mitigation for vehicular traffic impacts to the listed intersection in order to conform to the General Plan. The threshold of significance for protected intersections is one-half that of non-protected intersections.

Transportation System Improvements

Improvements made to the Citywide transportation system under the provisions of this Policy may be to either the roadway system or to other elements of the City's overall transportation infrastructure. The specific improvements proposed should generally be identified prior to project approval. Priority will be given to improvements identified in previously adopted plans such as area-wide specific or master plans, Redevelopment Plans, or plans prepared through the Strong Neighborhoods Initiative. Neighborhood outreach will occur prior to and concurrent with the project review and approval process.

In determining the extent, number, and location of the Transportation System Improvements, should an applicant choose this option of addressing unacceptable transportation system impacts created by a proposed project, the process described in this Appendix will be followed in order to assure consistency in the application of this Policy. The total value of improvements proposed to be constructed by a particular project having significant LOS impacts on a Protected Intersection will be determined initially by multiplying \$2,000 by the total number of peak hour project trips generated by the project, after all vehicular traffic credits have been assigned.⁴ The peak hour used as the basis for calculating this value will be the one (AM or PM) having the highest number of net trips after assignment of credits. The \$2,000 base amount will automatically increase 3.5 percent per year, to ensure that the amount remains at a consistent level over time.⁵ The total amount of this calculated value will create the budget for construction of the Transportation System Improvements for a project. The improvements must be implemented within the area proximate to the Special Strategy Area affected, as shown on the Community Improvement Zone Map (Exhibit II) maintained by the City's Department of Transportation in order to maximize the benefit of the traffic improvements on the same area impacted by the project traffic.

There are caps on the maximum value of Transportation System Improvements that would be required for impacts from a single project on a single Protected Intersection, and for impacts from a single project on two or more Protected Intersections. The maximum values are as shown:

Project Size	1 Impact	2+ Impacts
Less than 400 Trips	\$2,000 per trip	\$3,000 per trip
Over 400 trips	TBD during CEQA process	TBD during CEQA process

The value, location and specific type of improvements may be some of the information that could be available to the public during the community outreach process that takes place prior to project approval. However, specific improvements can be determined/finalized during subsequent planning permit stages.

For purposes of clarification, building improvements to the Citywide transportation system is not "mitigation" for significant traffic LOS impacts, as mitigation is defined by CEQA. Such improvements would not reduce or avoid the significance of the impacts to the listed intersections. Rather, the improvements accomplished in this way would be a means of providing substantial additional benefit to the community by improving the overall multi-modal transportation system in the area, which the decision makers would consider in deciding whether or not to approve the proposed project. The EIR that addresses the impact of designating a particular Protected Intersection should state that projects impacting protected intersections in conformance with this Policy would build such improvements and address the benefits of these anticipated improvements in the Statement of Overriding Considerations adopted by the City Council.

In approving this Policy, the City has determined that building such improvements will 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, including the Traffic LOS Policy.

CEQA Process for Subsequent Projects

A traffic LOS impact to a Protected Intersection will still be considered a significant impact for the purposes of CEQA. A development project that conforms to this Policy which results in significant traffic impacts at one or more of the Protected Intersections will not normally be required to prepare a separate EIR just to address its impacts at one of the listed Protected Intersections. It is anticipated that the project-specific environmental review may be able to use the EIR certified for the purpose of placing the impacted intersection on the Council-adopted list of Protected Intersections as a base and "tier" off it, as allowed by CEQA and the City's Environmental Review Ordinance.⁶ The EIR certified for the Protected Intersection(s) will, however, be used

analysis of all other impacts, including other traffic impacts, as required by CEQA. If the project also has a significant impact at another (non-protected) intersection, that impact and its mitigation(s) will be addressed as they have been in the past under existing policies. If the impact is fully mitigated in a fashion that is consistent with the General Plan and the adopted Council Transportation Impact Policy, it will not trigger preparation of an EIR.

If an applicant for a project found to have a significant impact on one of the listed Protected Intersections chooses not to construct other transportation system improvements, the other alternative method available for finding that project consistent with the General Plan would be to downsize the proposed project, so that it would not result in a significant impact at the listed intersection. If the applicant chooses not to implement transportation system improvements as allowed for under this Policy, or to downsize the project in order to eliminate the significant LOS impact at the Protected Intersection, then the project could not be found to be consistent with the City's General Plan and could not be approved. The project would also have a significant unavoidable CEQA impact.

ENDNOTES

¹ Except as otherwise noted in this Appendix, terms used herein shall have the meanings described within the Policy.

² For this Policy, the term "applicant" refers to someone that has requested an entitlement or discretionary approval from the City of San José.

³ 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, especially children.

⁴ 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 policies of the Congestion Management Agency or assumptions based on studies conducted by the City or the Institute of Transportation Engineers (ITE).

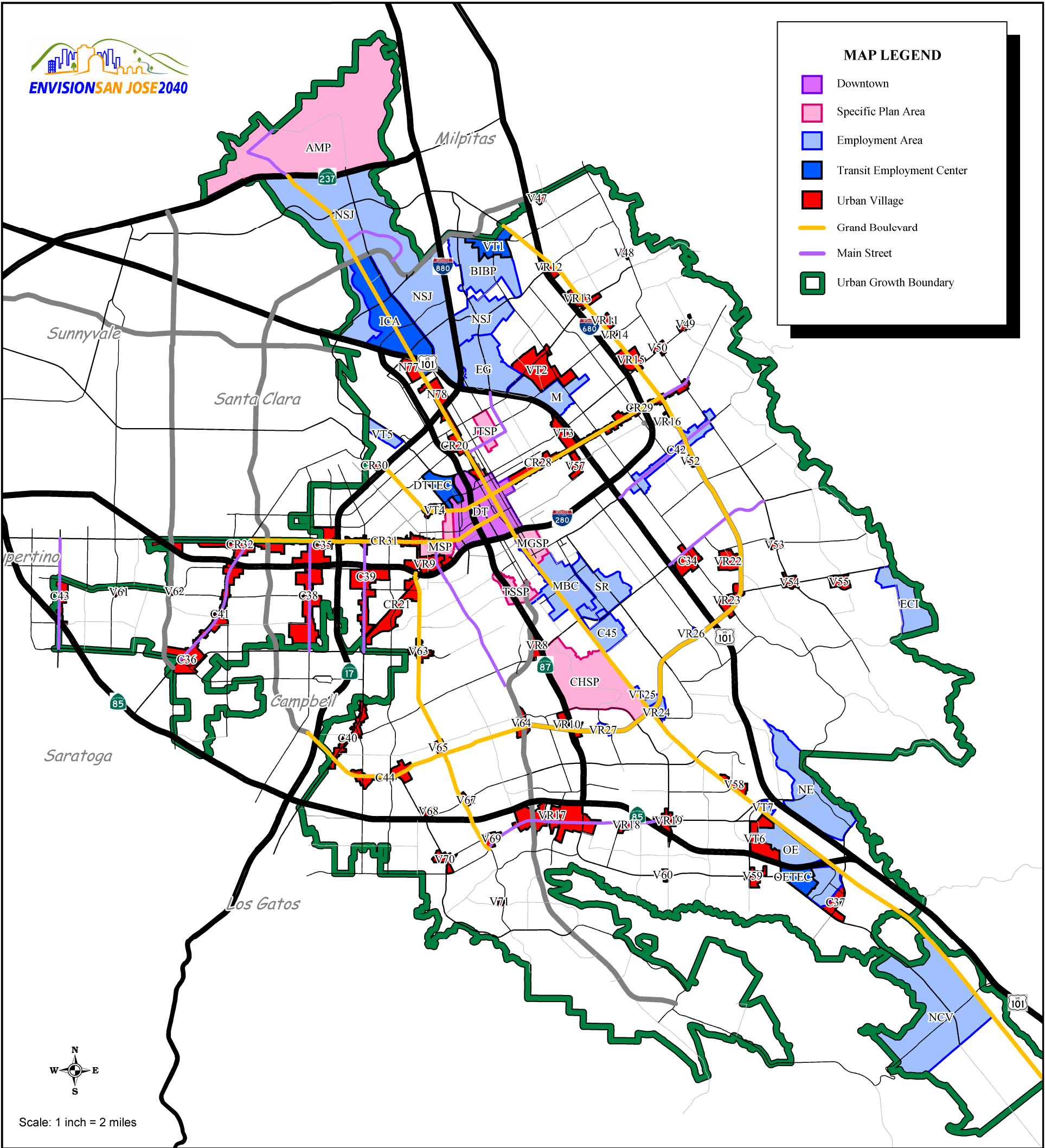
⁵ The 3.5 percent cost escalation adjustment is based on a 20-year average construction cost factor. The adjustment will take effect annually on July 1st, beginning in 2006.

⁶ The Environmental Review Ordinance is contained at Title 21 of the San José Municipal Code.

**EXHIBIT I
SPECIAL STRATEGY AREAS**

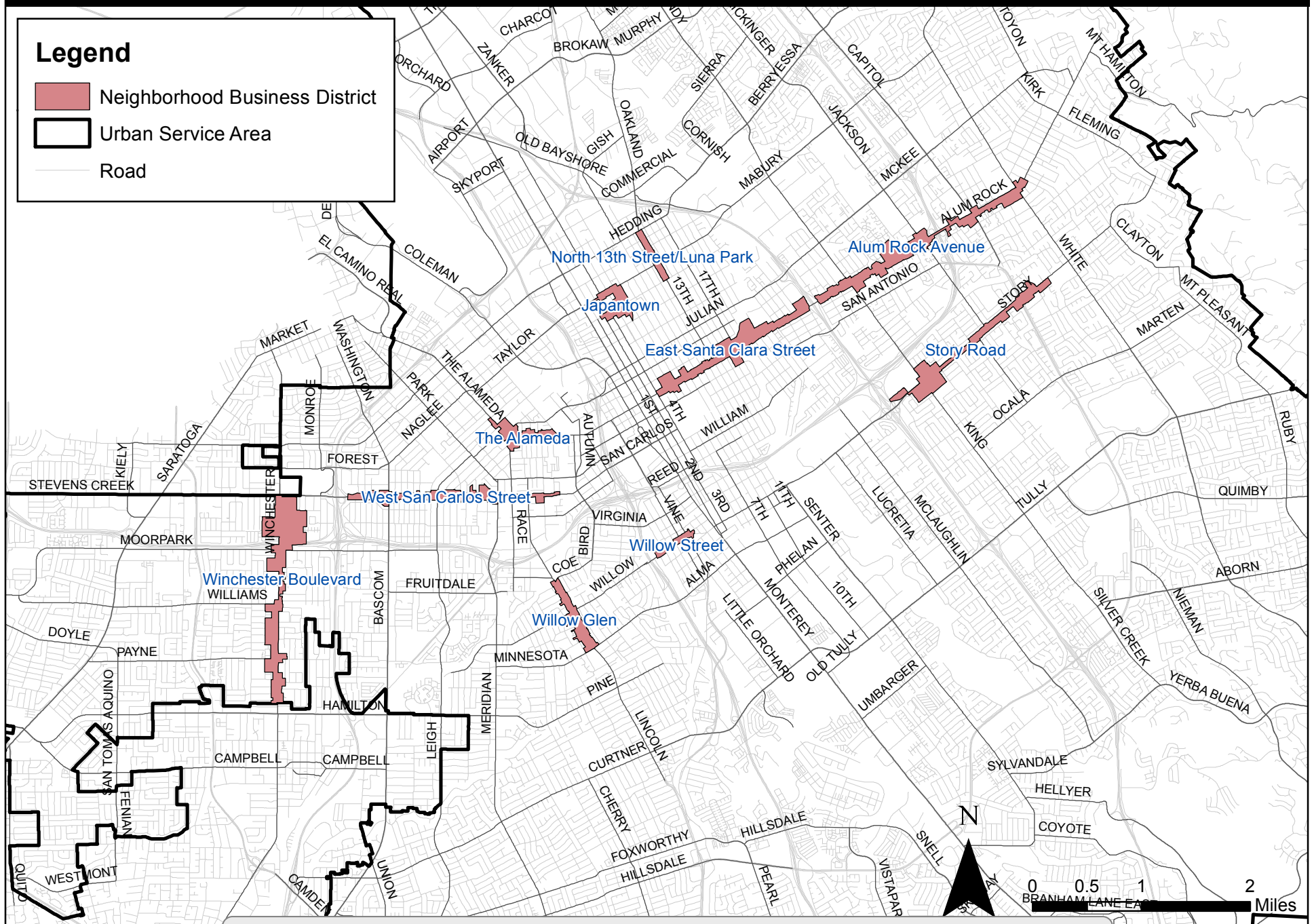
- Planned Growth Areas Map
- Neighborhood Business Districts Diagram
- Special Diagrams – Envision San José 2040 General Plan

ENVISION SAN JOSE 2040 GENERAL PLAN
PLANNED GROWTH AREAS DIAGRAM



KEY			
Downtown DT = Downtown DTTEC = Downtown Transit Employment Center	Employment Areas (continued) C42 = Story Rd C45 = County Fairgrounds	Urban Villages (continued) CR20 = N. 1st St CR21 = Southwest Ex CR28 = E. Santa Clara St CR29 = Alum Rock Av CR30 = The Alameda (West) CR31 = W. San Carlos St CR32 = Stevens Creek Bl	Urban Villages (continued) V64 = Almaden Ex/Hillsdale Av V65 = Foxworthy Av/Meridian Av V67 = Branham Ln/Meridian Av V68 = Camden Av/Branham Ln V69 = Kooser Rd/Meridian Av V70 = Camden Av/Kooser Rd V71 = Meridian Av/Redmond Av
Specific Plan Areas AMP = Alviso (Master Plan) CHSP = Communications Hill JTSP = Jackson-Taylor (Residential Strategy) MGSP = Martha Gardens MSP = Midtown TSSP = Tamien Station Area	VR16 = S. Capitol Av/Capitol Ex VR24 = Monterey Hy/Senter Rd VR26 = E. Capitol Ex/McLaughlin Av VR27 = W. Capitol Ex/Vistapark Dr	N77 = Rincon South 1 N78 = Rincon South 2	VR8 = Curtner Light Rail/Caltrain VR9 = Race St Light Rail VR10 = Capitol Ex/Hy 87 Light Rail VR11 = Penitencia Creek Light Rail VR12 = N. Capitol Av/Hostetter Rd VR13 = N. Capitol Av/Berryessa Rd VR14 = N. Capitol Av/Mabury Rd VR15 = N. Capitol Av/McKee Rd VR17 = Oakridge Mall and Vicinity VR18 = Blossom Hill Rd/Cahalan Av VR19 = Blossom Hill Rd/Snell Av VR22 = Arcadia/Eastridge VR23 = E. Capitol Ex/Silver Creek Rd
Employment Areas BIBP = Berryessa International Business Park ECI = Evergreen Campus Industrial EG = East Gish ICA = Industrial Core Area M = Mabury MBC = Monterey Business Corridor NCV = North Coyote Valley NE = New Edenvale NSJ = North San Jose OE = Old Edenvale OETEC = Old Edenvale Transit Employment Center SR = Senter Road	Urban Villages C34 = Tully Rd/S. King Rd C35 = Valley Fair/Santana Row C36 = Paseo de Saratoga C37 = Santa Teresa Bl/Bernal Rd C38 = Winchester Bl C39 = S. Bascom Av (North) C40 = S. Bascom Av (South) C41 = Saratoga Av C43 = S. De Anza Bl C44 = Camden Av/Hillsdale Av	V47 = Landess Av/Morrill Av V48 = Piedmont Rd/Sierra Rd V49 = McKee Rd/Toyon Av V50 = McKee Rd/White Rd V52 = E. Capitol Ex/Foxdale Dr V53 = Quimby Rd/S. White Rd V54 = Aborn Rd/San Felipe Rd V55 = Evergreen Village V57 = S. 24th St/William Ct V58 = Monterey Rd/Chynoweth Av V59 = Santa Teresa Bl/Cottle Rd V60 = Santa Teresa Bl/Snell Av V61 = Bollinger Rd/Miller Av V62 = Bollinger Rd/Lawrence Ex V63 = Hamilton Av/Meridian Av	VT2 = Berryessa BART VT3 = Five Wounds BART VT4 = The Alameda (East) VT6 = Blossom Hill Rd/Hitachi

Envision San Jose 2040 General Plan Neighborhood Business Districts



Special Diagrams

This page provides various citywide and area-specific diagrams contained in the Envision San Jose 2040 General Plan document, as referenced below.

<https://www.sanjoseca.gov/index.aspx?NID=3368>

Chapter 1: Planned Growth Areas Diagram

Chapter 4: Scenic Corridors Diagram

Chapter 4: Potential Hospital Sites

Chapter 4: Open Space, Parklands and Trails Diagram

Chapter 5: Area Development Policy Diagram

Chapter 5: Transportation Network Diagram

Chapter 5: Land Use / Transportation Diagram

Chapter 6: Primary Truck Routes Diagram

Chapter 6: Airport Influence Area Diagram

Chapter 7: Housing Growth Areas by Horizon

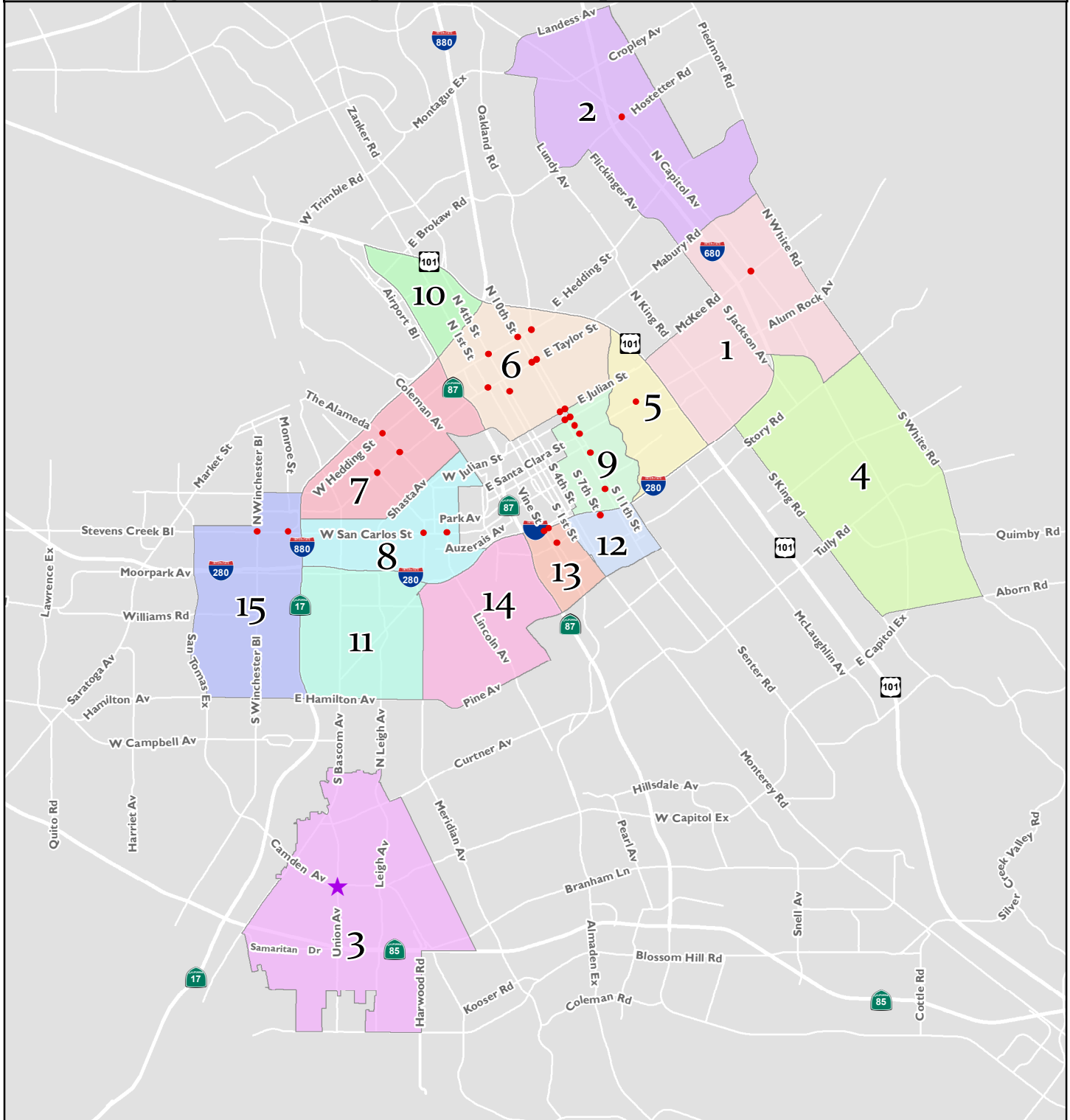
Appendix 9: Neighborhood Business Districts

- East Santa Clara Street
- The Alameda and West San Carlos Street
- Alum Rock Avenue
- Story Road
- Winchester Boulevard
- Japantown and North 13th Street / Luna Park
- Willow Glen and Willow Street

EXHIBIT II
COMMUNITY IMPROVEMENT
ZONE MAP

Community Improvement Zones

City of San Jose Department of Transportation - November 2016



1 - Alum Rock	4 - Eastridge	7 - Midtown North	10 - Rincon South	13 - Tamien
2 - Berryessa	5 - Five Wounds	8 - Midtown South	11 - Southwest	14 - Willow Glen
3 - Cambrian West	6 - Jackson-Taylor	9 - Naglee	12 - Spartan Keyes	15 - Winchester-Stevens Creek

0 3
Miles



- ★ Proposed Protected Intersection
- Protected Intersections

DRAFT--Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for final document.

City of San José, California

COUNCIL POLICY

TITLE	PAGE	POLICY NUMBER
Transportation Analysis Policy	1 of 15	5-1
EFFECTIVE DATE	REVISED DATE	

APPROVED BY COUNCIL ACTION**BACKGROUND**

This Council Policy 5-1, "Transportation Analysis Policy" ("Policy"), will replace the existing Council Policy 5-3, "Transportation Impact Policy" as the Policy for transportation development review in the City of San José ("City"). This Policy aligns the City's transportation analysis with California Senate Bill 743 ("SB 743") and the City's goals as set forth in the City's Envision San José 2040 General Plan ("General Plan"). This Policy establishes 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")*. Appendix A defines terms in this Policy noted in *Italics*.

The City's General Plan sets forth a vision and comprehensive road map to guide the City's continued growth through the year 2040. The General Plan strategically links land use and transportation to reduce the environmental impacts of growth by promoting compact mixed-use development that supports walking, biking, and transit use. The General Plan seeks to focus new developments in Planned Growth Areas, bringing together office, residential, and service land uses to *internalize trips* and reduce *VMT*. The General Plan also encourages the development and use of non-automobile transportation modes to minimize vehicle trip generation and reduce *VMT*.

APPLICABILITY OF POLICY (PIPELINE PROVISIONS)

This Policy is effective thirty (30) days after approval by the City Council ("Effective Date"). Any proposed development project (including adjustments or amendments to existing projects) with a complete Universal Planning Application on file with the Department of Building, Planning, and Code Enforcement on or after the Effective Date shall comply with this Policy, except for the following:

1. **Interim Period:** The City may determine in writing that a proposed project with a complete Universal Planning Application and an approved transportation work scope issued by the Department of Public Works prior to the Effective Date can (a) proceed with transportation analysis and comply with the existing Council Policy 5-3, provided that a final transportation work scope was issued by the Department of Public Works within one year prior to the Effective Date of this Policy; or (b) proceed with CEQA transportation analysis under VMT and comply with this Policy. Prior written approval from the Public Works Director is required to determine compliance with existing Council Policy 5-3 or this Policy. For example, if a project submits a complete Universal Planning Application prior to the Effective Date, the project applicant may proceed with traffic analysis under existing City Council Policy 5-3 or with prior written approval from the Public Works Director to proceed under this Policy.
2. **Subsequent Reviews:** The City may determine in writing that subsequent discretionary approval(s) required for a project approved prior to the Effective Date may continue to be analyzed under the prior environmental clearance and existing City Council Policy 5-3 after the Effective Date; provided

there is no Substantial Change to the project, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164.

For example, if the City approved an environmental impact report (EIR) or mitigated negative declaration (MND) for a project prior to the Effective Date, the City may determine that subsequent discretionary approvals required after the Effective Date may continue to be analyzed under the previously approved environmental impact report or mitigated negative declaration for the project if there is no Substantial Change.

In such instances, the City may determine that the proposed project is consistent with the previously approved environmental clearance (use of a previously certified EIR/MND). If the proposed project is still within the scope of and fully evaluated in the previously approved environmental clearance and only minor technical changes have been made to the proposed project and there are no Substantial Changes, an addendum to the previously certified EIR/MND may be adequate as defined in CEQA Guidelines Section 15164.

3. Subsequent Review for Projects in Existing Area Development Policies (ADPs) and Transportation Development Policies (TDPs): The City may determine in writing that a proposed project be analyzed under the previously approved environmental clearance for the ADPs/TDPs and City Council Policy 5-3 if there is No Substantial Change, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164. To be eligible for this determination, the proposed project that submits a complete Universal Planning Application after the Effective Date of this Policy must be located within an existing ADP or TDP area.

For example, if a new project located within the North San José ADP submits a complete Universal Planning Application after the Effective Date, the City may determine that the project be analyzed under the previously approved North San José ADP EIR, if the proposed project is consistent with the previously approved EIR. If the proposed project is within the scope and fully evaluated in the previously approved EIR and only minor technical changes have been made to the proposed project and there are no Substantial Changes, an addendum to the previously approved EIR may be adequate as defined in CEQA Guidelines Section 15164.

Existing ADPs and TDPs include the Evergreen-East Hills Development Policy, North San José Area Development Policy, Edenvale Area Development Policy, US-101/Oakland/Mabury Transportation Development Policy, and I-280/Winchester Boulevard Interchange Transportation Development Policy.

All projects located within an existing ADP or TDP area shall continue to be subject to any traffic impact fees adopted by the City Council. Adoption of this Policy does not negate, supersede, or otherwise modify existing requirements or permit conditions.

PURPOSE

This Policy establishes:

- 1) VMT as the metric to measure transportation environmental impacts in conformance with CEQA.
- 2) The Transportation Analysis framework for proposed developments, land use plans, transportation projects, and any other plans or developments (collectively “Projects” in this Policy) in the City.
- 3) The requirement that Projects perform Local Transportation Analysis (LTA) to demonstrate conformance with multimodal transportation strategies, goals, and policies in the General Plan and address adverse effects to the transportation system.

POLICY

San José is establishing *VMT* as the metric for CEQA transportation analysis to foster a more sustainable and vibrant city. *VMT*-based policies support dense, mixed-use, infill Projects as established in the

General Plan's Planned Growth Areas. By establishing a transportation system which encourages improved land uses with viable transportation options, this Policy provides resources to develop a robust multimodal transportation network as envisioned in the General Plan. Projects consistent with this Policy will reduce the City's environmental footprint from transportation and land uses, and create lively places served by a variety of transportation options.

Transportation Analysis Framework

A Transportation Analysis (TA) for a proposed Project provides information the City must have to inform the CEQA environmental review and decision-making processes. Projects that need transportation evaluation must prepare a TA report consisting of a CEQA VMT evaluation and/or LTA. Sections I and II below describe the Policy provisions guiding the VMT evaluation and LTA. Appendix B, "Policy Implementation Procedures" provides implementation details.

Detailed methodologies and requirements are explained in the City's *Transportation Analysis Guidelines*. TA's must comply with relevant professional standards and the methodology included within the City's *Transportation Analysis Guidelines*, which can be found on the Department of Public Works Development Services website. Appendix C presents a flow chart of the TA process.

I. Vehicle Miles Traveled CEQA Transportation Analysis

In accordance with CEQA, all proposed Projects are required to analyze transportation as a component of environmental review. This Policy establishes:

- 1) screening criteria under which Projects are not required to submit detailed VMT analysis;
- 2) thresholds for identifying transportation environmental impact;
- 3) requirements for Projects to mitigate significant transportation impacts; and
- 4) the City's mechanism for reviewing Projects with significant and unavoidable impacts, all under CEQA.

Projects that do not meet the screening criteria are required to prepare a detailed VMT analysis and identify potential transportation impacts and propose mitigations and/or improvements.

A. Project Screening Criteria

The requirements to prepare a detailed VMT analysis applies to all Projects except the following types of Projects because the City Council finds, as documented in the administrative record for this Policy that these Projects will further City goals and policies and will not result in significant transportation impacts:

1. Small Infill Projects
2. Local-Serving Retail
3. Local-Serving Public Facilities
4. Transit Supportive Projects in Planned Growth Areas with Low VMT and High Quality Transit
5. Restricted Affordable, Transit Supportive Residential Projects in Planned Growth Areas with High Quality Transit
6. Transportation Projects that reduce or do not increase VMT

These screening criteria are further defined and explained in Appendix B.

B. Vehicle Miles Traveled CEQA Transportation Thresholds of Significance

Projects that do not meet the above screening criteria must include a detailed evaluation of the VMT produced by the Project. The thresholds of significance used to measure VMT are described by Project type in Table 1. Projects that have a significant VMT must include feasible mitigation measures which will avoid or substantially lessen such significant effects.

Table 1 - Project Type and VMT Thresholds of Significance¹

Project Types (as categorized in the General Plan)	Threshold for Determination of Significant Transportation Impact
Residential Uses	VMT per resident greater than the more stringent of the following thresholds: 1) 15 percent below the Citywide per resident VMT, OR 2) 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 existing VMT for the region.
Public/Quasi-Public Uses	Public/Quasi-Public land use projects will be analyzed using the most relevant threshold as determined by Public Works Director for the proposed use on the site from the enumerated project types in this Table 1.
Mixed-Uses	Each land use component of a mixed-use project will be analyzed independently, applying the significance threshold for each land use component from the enumerated project types in this Table 1.
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 land use component from the enumerated project types in this Table 1.
Urban Village, Station Area Plans, Development Policy, Specific Strategy or Other Area Plans	Each land use component will be analyzed independently, applying the significance threshold for each land use component from the enumerated project types in this Table 1.
General Plan Amendments	General Plan Amendments will be analyzed in conformance with the General Plan's definition of VMT. An increase in City total VMT is a significant transportation impact.

¹ For the Purposes of this Policy, the region is the Bay Area's Metropolitan Planning Organization's boundaries.

Transportation Projects	Net increase in VMT greater than that consistent with the Regional Sustainable Communities Strategy.
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C. Less than Significant Impact with Mitigation

If a Project is found to have a significant impact on VMT, the impact must be reduced by modifying Project VMT to an acceptable level (below the established thresholds of significance applicable to the Project) and/or mitigating the impact through multimodal transportation improvements, or establishing a *Trip Cap*.

D. Significant and Unavoidable Impacts

If a Project cannot fully mitigate its impacts on VMT, the Project applicant may:

- i. Propose to modify the Project such that the impacts on VMT can be mitigated to a less than significant level;
- ii. Relocate the Project to a low VMT site; or
- iii. Request the City Council to adopt a Statement of Overriding Considerations for the significant impact on VMT as part of an EIR certification.

When significant impacts are unavoidable, a detailed statement of overriding considerations in addition to findings are required as defined in CEQA Guidelines Sections 15191 and 15193. Based on the General Plan and State CEQA Guidelines, this Policy finds that benefits of certain projects may outweigh the unavoidable significant impacts on VMT and could be considered acceptable in certain circumstances as outlined below:

- i. The Project is consistent with the 2040 General Plan and demonstrates overriding benefits in accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3); *and*
- ii. The Project mitigates its VMT impacts to the maximum extent feasible per the City's VMT Evaluation Tool; *and*
- iii. The Project is either:
 - a. 100% affordable residential project, or
 - b. The Project constructs or funds multimodal transportation improvements as detailed in Appendix B and is:
 - (i) Market-rate housing located within Urban Villages as defined in the City's General Plan;
 - (ii) eCommercial; or,
 - (i)(iii) Industrial, or market rate housing within City Planned Growth Areas Urban Villages, and constructs or funds multimodal transportation improvements as detailed in Appendix B.

A statement of overriding considerations may also be warranted in certain other circumstances such as Projects' impacts on other jurisdictions facilities (e.g., freeway impacts) that are not measured with VMT metric.

II. Local Transportation Analysis

The following section establishes the City's LTA requirements. All Projects may be required to submit an LTA as determined by the Public Works Director. Land use and area plans typically do not have sufficient detail to conduct an LTA and therefore, may not be required to perform one until a specific development Project application is filed consistent with the land use or area plan. An LTA analyzes the effects of a Project on transportation, access, circulation, and related safety elements proximate to the Project and establishes consistency with the General Plan or other City requirements. An LTA proposes improvements to address adverse effects identified in the

analysis. Components of an LTA are 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 effects analysis
- Local multimodal analysis
- Compliance with the County's Congestion Management Program

LTAs provide additional information to evaluate transportation conditions proximate to a Project and supplements the VMT analysis. LTAs implement the multimodal vision of the City's General Plan. The General Plan directs new development to help build out the inter-connected, multimodal transportation networks needed to fulfil its vision. The following General Plan Policies guide the implementation of LTAs:

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.

PR-8.5 - Encourage all developers to install and maintain trails when new development occurs adjacent to a designated trail location. Use the City's Parkland Dedication Ordinance and Park Impact Ordinance to have residential developers build trails when new residential development occurs adjacent to a designated trail location, consistent with other parkland priorities. Encourage developers or property owners to enter formal agreements with the City to maintain trails adjacent to their properties.

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.

An LTA must identify the existing condition of pedestrian, bicycle, transit and vehicular transportation 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 area transportation issues may also be studied as specified in the City's Transportation Analysis Guidelines and as determined by the City's Departments of Public Works. The Project applicant must complete the proposed LTA prior to, or in conjunction with, the Project's environmental review requirements.

**APPENDIX A
TO CITY COUNCIL POLICY 5-1
DEFINITIONS OF TERMS**

Term	Definition
High Quality Transit Areas	High quality transit areas are within one half mile of a <i>high quality transit corridor</i> or <i>major transit stop</i> .
High Quality Transit Corridor	Pub. Resources Code § 21155 (b), as may be amended: “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”.
Internalized trips	Are trips that occur within a Project area whereas they would normally begin or end at further locations outside the Project area.
Level of Service (LOS)	Is a measure of automobile delay through a roadway facility, graded on a scale A through F.
Major Transit Stop	Pub. Resources Code § 21064.3, as may be amended: “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”.
Planned Growth Areas	Areas designated in the City’s General Plan to accommodate certain growth expected in the General Plan’s horizon.
Transportation Demand Management (TDM)	Strategies to incentivize the more efficient use of existing transportation infrastructure through modal change particularly the encouragement of pedestrian, bike, and transit use.
Trip Cap	A maximum number of vehicle trips that a Project can generate on any given day.
Vehicle Miles Traveled (VMT)	As used in this Policy, a measure of the amount of automobile travel associated with a Project. <i>VMT</i> is measured by multiplying the total vehicle trips by the average distance of those trips, adjusted for the number of people in the vehicles. For residential and employment land uses, <i>VMT</i> is measured for each person who will occupy or use a Project. For large retail and transportation Projects, the net amount of <i>VMT</i> is measured.

**APPENDIX B
TO CITY COUNCIL POLICY 5-1
POLICY IMPLEMENTATION PROCEDURES**

The Project applicant² must submit a Transportation Analysis (TA) that identifies:

- 1) Potential transportation impacts as defined in the *VMT* section of this Policy and adverse effects on nearby transportation facilities as identified by the LTA section of this Policy.
- 2) Mitigations for significant impacts found in the *VMT* analysis and improvements to address adverse effects identified in the LTA analysis. This may include impacts and adverse effects on any multimodal transportation facility (e.g., pedestrian facilities, transit stops, transit reliability, sidewalks, bicycle lanes, roadways, and roadway capacity, etc.).

Both the *VMT* analysis and LTA must comply with professional standards and the methodology included in the City's Transportation Analysis Handbook. TAs must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works.

The City's Transportation Analysis Handbook has instructions and procedures to prepare a TA, including the criteria for determination of significance of transportation impacts and to evaluate the effectiveness of mitigation measures. The City's Department of Transportation maintains this Handbook and posts it to the City Public Work's Development Services website. The Handbook is updated on a periodic basis to include evolving industry best practices.

CEQA VMT Implementation Procedures

CEQA Guidelines Section 15126.2 requires that environmental documents determine significant or potentially significant impacts as part of environmental review, including assessment of traffic and transportation effects. The CEQA VMT Implementation Procedures include the following determinations:

- **Project Screening Criteria**
- **CEQA VMT Transportation Thresholds of Significance**
- **Less than Significant with and without Mitigation/s**
- **Significant and Unavoidable Impacts**

These determinations are further explained below.

A. Project Screening Criteria

The requirement to perform detailed *VMT* analysis applies to all Projects except the types of Projects that meet the following screening criteria because the Council finds that these Projects will not result in significant transportation impacts and will advance other City goals and policies:

1. **Small Infill Projects:** 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, and other City goals and policies:
 - a. All office buildings of 10,000 square feet of gross floor area or less
 - b. All industrial buildings of 30,000 square feet of gross floor area or less

² For this Policy, the term "applicant" refers to the individual or entity that has requested an entitlement or discretionary development approval from the City of San José.

- c. All single-family detached residential Projects of 15 or fewer dwelling units
- d. All single-family attached or multi-family residential Projects of 25 or fewer units

In no case shall any of these above types of small infill Projects meet the screening criteria if they are increments of a larger Project or “site” as defined in Chapter 20.200 of the San José Municipal Code.

2. **Local-Serving Retail:** 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 up to a combined total of 100,000 gross square feet meet the City’s screening criteria. This criterion is not applicable to hotels/motels, given disparate and context-specific travel patterns, or Projects that contain drive-through retail as defined in City Council Policy 6-10 “Criteria for the Review of Drive-through Uses”, due to the high auto-traffic volume associated with this type of Project.

In no case shall a Project meet the screening criteria if it is an increment of a larger Project or “site” as defined in Chapter 20.200 of the San José Municipal Code

3. **Local-Serving Public Facilities:** Local-serving public facilities either produce very low *VMT* or divert existing trips from established local facilities to new local facilities without measurably increasing trips outside of the area. For these reasons, they meet the City’s screening criteria. These facilities must be publicly owned or controlled; this does not include schools, public or private. Examples of these Projects are:

- a. Branch Library
- b. Community Center
- c. Fire station
- d. Pumping station
- e. Passive Parks

4. **Transit Supportive Projects in *Planned Growth Areas* with Low *VMT* and High Quality *Transit*:** In accordance with State Law and the City’s General Plan, proposed transit supportive Projects within City Planned Growth Areas, that have *VMT* below the threshold applicable to the Project’s land use, and located near *high-quality transit* meet the City’s screening criteria.

Residential and commercial Projects, as well as mixed-use Projects which are a mix of these above enumerated uses, meet the screening criteria if they meet all the following minimum criteria (a through f):

- a. Located within a Planned Growth Area as defined in the General Plan
- b. Located within ½ mile of an existing *major transit stop* or a stop along a *high quality transit corridor*
- c. The Project area *VMT*, as defined by the City’s Transportation Model, is less than or equal to the CEQA *VMT* threshold for the proposed land use(s)
- d. Provides a transit-supporting Project density, measured as:
 - i. A minimum Floor Area Ratio (FAR) of 0.75 for commercial Projects, or commercial portions of a mixed-use Project, based on gross floor area;
 - ii. A minimum of 35 dwelling units per acre for residential Projects³, or residential portions of a mixed-use Project; or

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

- iii. If the Project is in a Planned Growth Area that has a maximum density below 0.75 FAR or 35 dwelling units per acre, the Project must meet the maximum density allowed in the Planned Growth Area.
- e. Provides a minimal amount of parking:
 - i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).
 - ii. For Projects in Urban Villages, Downtown or other areas that allow for lowered parking rates:
 - The number of parking spaces proposed must be adjusted to the lowest amount allowed by Zoning Code. For example, in an Urban Village a 50% off-street parking reduction is allowed by Municipal Code Section 20.90.220, if a Project meets certain geographic and transportation demand management criteria. All actions required by the Zoning Code to reduce parking requirements must still be carried out. For example, if a Transportation Demand Management plan is required to lower parking requirements it must still be completed; or
 - The proposed number of parking spaces can be up to the general zoned minimum without the further reduction to Urban Villages, Downtown or other areas, if the parking provided is shared and publicly available and/or “unbundled” as defined in Chapter 20.200 of the Zoning Code.
- f. Does not adversely affect pedestrian, bike, or transit infrastructure. For example, sidewalk widths cannot be reduced below the City’s Complete Streets standard; bike lanes cannot be altered to reduce their accessibility or size beyond the City’s Complete Streets standard.

5. Restricted Affordable, Transit Supportive Residential Projects in *Planned Growth Areas with High Quality Transit*: Residents of affordable residential Projects typically have a lower VMT footprint than residents in market rate residential Projects. This pattern is particularly evident in affordable residential Projects near transit.⁴ In recognition of this effect, and in accordance with State Guidelines and the City’s General Plan, proposed transit supportive, restricted, affordable housing Projects within City Planned Growth Areas, that are near *high quality transit*, meet the City’s screening criteria.

Affordable residential Projects, as well as affordable residential portions of mixed-use Projects, meet the screening criteria if the Project meets **all** the following minimum criteria (a through ~~ef~~):

- a. Provide 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability restrictions must be recorded and extend for a minimum of 55 years for rental homes or 45 years for for-sale homes
- b. Located within a Planned Growth Area as defined in the General Plan
- c. Located within ½ mile of an *existing major transit stop* or a stop along *high quality transit corridor*
- d. A minimum of 35 dwelling units per acre
 - i. If the Project is in a Planned Growth Area that has a maximum density below 35

⁴ Newmark and Hass, “Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy”, The California Housing Partnership, 2015.

dwelling units per acre, the Project must meet the maximum density allowed in that Planned Growth Area.

- ii. Projects that are proposed in areas where VMT is above the CEQA Threshold for Determination of Significant Transportation Impact must include a TDM plan approved by the Public Workers Director as part of their LTA.

e. Provides a minimal amount of parking:

- i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).
- ii. For Projects in Urban Villages or Downtown:
 - The number of parking spaces proposed must be adjusted to the lowest amount allowed by the Zoning Code. For example, a street parking reduction of 50 percent is allowed in Urban Villages by Municipal Code Section 20.90.220, if a Project meets certain geographic and transportation demand management criteria.
 - The proposed number of parking spaces can be up to the general zoned minimum without the further reduction to Urban Villages, Downtown or other areas, if the parking provided is shared and publicly available and/or “unbundled” as defined in Chapter 20.200 of the Zoning Code.

- f. Does not adversely affect pedestrian, bike, or transit infrastructure. For example, sidewalk widths cannot be reduced below the City’s Complete Streets standard; bike lanes cannot be altered to reduce their accessibility or size beyond the City’ Complete Streets standard.

6. Transportation Projects that reduce or do not affect VMT: Transportation Projects that inherently support environmental, land use, and transportation goals of the City and State by reducing significant traffic impacts to a less than significant level or being neutral to meet the City’s screening criteria. Examples include transportation Projects that enhance pedestrian, bike, or transit infrastructure, and transportation Projects that maintain current infrastructure, without adding new automobile capacity. The Governor’s Office of Planning and Research in the 2017 Guidelines for Implementing SB 743 published a list of such Projects that is enumerated below:

- 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
- Addition of a new lane that is permanently restricted to use only by transit vehicles
- Reduction in number of through travel lanes

- Grade separation to separate vehicles from rail, transit, pedestrians, or bicycles, or to replace a lane 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 or traffic circles
- 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
- 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 or relocation of off-street or on-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
- Addition of new or enhanced bike or pedestrian facilities on existing streets/highways or within existing public rights-of-way
- Addition of Class I bike paths, trails, multi-use paths, or other off-road facilities that serve non-motorized travel
- Installation of publicly available alternative fuel/charging infrastructure
- Addition of passing lanes in rural areas that do not increase overall vehicle capacity along the corridor

B. CEQA VMT Transportation Thresholds of Significance

VMT, as used in this Policy, measures the amount of personal motorized vehicle travel associated with a Project. *VMT* is measured by multiplying the total vehicle trips by the average distance those trips travel.

For residential and employment uses other than retail commercial uses, *VMT* is measured for each person who will occupy or use the Project. For retail commercial and transportation Projects, the net amount of *VMT* is measured to identify potential impacts.

The thresholds of significance, by Project type used by the City of San José to measure *VMT* are described in Table 1 of this Policy. Detailed methods for calculating *VMT* by Project type are further described in the City's Transportation Analysis Handbook.

C. Less than Significant with Mitigation

If a Project is determined to have a significant impact on *VMT*, it must reduce that impact by modifying the Project *VMT* to an acceptable level; that is below the established thresholds of significance applicable to the Project and/or mitigating the impact through multimodal transportation network improvements, or transportation demand management program as measured by a *Trip Cap*.

Methodologies for measuring and mitigating *VMT* for Projects are described in the City's Transportation Analysis Handbook. These methodologies for measuring and mitigating *VMT* for Projects must conform to the City's Transportation Analysis Handbook.

A *Trip Cap* as used in this Policy is a maximum number of vehicle trips allowed during any given day associated with a Project. The City, in coordination with the Project applicant, will

set a Project's *Trip Cap* at a level that is reasonably attainable through proven means and enables the Project's VMT to be reduced below the relevant threshold(s). The TA must include a plan for implementation and funding of the *Trip Cap* for the life of the Project and will become part of the Project's conditions of approval. Further, this plan must include methods for an annual trip mitigation, monitoring and reporting program (MMRP). The requirements of *Trip Cap* monitoring must include contingency plan for the City to make changes if the *Trip Cap* compliance reports demonstrate a failure to reduce the number of vehicles.

A short grace period not to exceed six (6) months will be provided to Projects that are not in compliance with their *Trip Cap* requirements based on the annual monitoring report. Such a non-conforming Project will be required to submit a new *Trip Cap* implementation plan which includes how and why the already established plan failed and new strategies and measures to attain the *Trip Cap*.

Monetary fees will be assessed if a Project is not in compliance with its *Trip Cap* after the grace period. The annual monetary fees are set at 1/5th the cost of the Transportation System Improvement(s) value defined in Section D2 below. Monetary fees collected will be used in the same manner as described in Section D2 below.

D. Significant and Unavoidable Impacts

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

1. Modify/Change or relocate the Project to a low VMT site to meet VMT threshold(s). This could include the following: Changing the Project type, increasing density and land use diversity, adjusting Project design, reducing off-street parking supply, replacing market rate units with affordable housing units, include local multimodal transportation network improvements as part of the Project, or undertake the Project in an area of the City where VMT is lower; or
2. The City Council may adopt a statement of overriding considerations as part of the environmental impact report certification process pursuant to Public Resources Code 21081.

Council will only consider a statement of overriding considerations for Projects that meet the following criteria:

a. Commercial or industrial Projects that:

- i. Demonstrate overriding benefits to the City, as determined by the City Council, in accordance with Public Resources Code 21081, based on a recommendation by City staff; and
- ii. Are consistent with the General Plan, and any applicable area plan(s).

b. Residential Projects that:

- i. Are located in ~~Planned Growth Areas~~ Urban Villages as defined in the City's General Plan;
- ii. Demonstrate overriding benefits to the City, as determined by the City Council, in accordance with Public Resources Code 21081, based on a recommendation by City staff;
- iii. Meet the density requirements specified in the Transit Supportive Projects in *Planned Growth Areas* with Low VMT and *High Quality Transit* screening

criteria; and

- iv. Are consistent with the General Plan, and any applicable area plan(s).

To be eligible under clauses a. and b. above, a Project must also construct or fund multimodal transportation improvement(s), called Transportation System Improvement(s) that will improve system efficiency and/or safety, enhance non-auto travel modes, and promote citywide reduction of VMT. A Project's contribution, either through construction or payment towards improvements and expansion of the City's multimodal transportation system, is a way to achieve and be consistent with the related General Plan goals and policies.

The value of Transportation System Improvements that a Project applicant must construct or fund will be based on the amount of *VMT* impacts their Project is unable to mitigate. Table 2, *VMT Values for Transportation System Improvements* shows the values for commercial and residential Projects per vehicle mile traveled not mitigated.

Table 2 - VMT Value for Transportation System Improvements

Project Type	Value
Commercial	\$3,200 per Vehicle Mile Traveled not mitigated
Residential	\$2,300 per Vehicle Mile Traveled not mitigated

The value of Transportation System Improvements will increase annually, on January 1st in line with the Engineering News-Record Construction Cost Index (ENR CCI) to ensure that the value remains consistent over time.

For purposes of clarification, improvements to the citywide multimodal transportation system as discussed in this section are not "mitigation" for significant *VMT* impacts, as mitigation is defined by CEQA. Such improvements would not necessarily reduce or avoid the significance of *VMT* impacts that cannot be mitigated. These improvements to the multimodal transportation system are one of the overriding benefits to the community and findings made to this effect that can assist the Council in determining whether the overriding benefits of the proposed Project outweigh the significant effects on the environment.

- c. Affordable housing Projects that are 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability restrictions must be recorded and extend for a minimum of 55 years for rental homes or 45 years for for-sale homes.

Affordable housing Projects must be consistent with the General Plan, as well as any applicable area plan(s), and the City Council may consider a statement of overriding considerations even if the Project's *VMT* impact cannot be fully mitigated to a less than significant level. These affordable housing Projects will be required to mitigate their *VMT* impacts to the maximum extent feasible, as determined by the City of San José's Vehicle Miles Traveled Evaluation Tool, including implementation of a tailored TDM plan. However, these Projects would not be required to construct or fund Transportation System Improvements.

APPENDIX C
TO CITY COUNCIL POLICY 5-1
Flow Chart of the Transportation Analysis Process

