



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 7, 2025

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: ADOPT AN ORDINANCE AMENDING TITLE 16 OF THE RIVERSIDE MUNICIPAL CODE BY ADDING CHAPTER 16.80 REGARDING THE VEHICLE MILES TRAVELED (VMT) MITIGATION BANK PROGRAM

ISSUES:

Adopt an Ordinance amending Title 16 of the Riverside Municipal Code by adding Chapter 16.80 regarding the Vehicle Miles Traveled (VMT) Mitigation Bank Pilot Program

RECOMMENDATION :

That the City Council adopt the attached Ordinance amending Title 16 of the Riverside Municipal Code by adding Chapter 16.80 related to the Vehicle Miles Traveled (VMT) Mitigation Program.

INTRODUCTION OF ORDINANCE:

On December 17, 2024, the City Council introduced an ordinance, to amend Title 16 of the Riverside Municipal Code by adding Chapter 16.80 related to Vehicle Miles Traveled (VMT) Mitigation Program. The City Council approved the VMT Mitigation Program by a vote of 6 ayes and 1 noe.

BOARD, COMMISSION, COMMITTEE RECOMMENDATIONS:

Transportation Board:

On November 6, 2024, the Transportation Board (Board) reviewed the proposed adoption of the VMT Mitigation Bank Pilot Program, approval of Option A (VMT Mitigation Bank with selected bike projects), modification of the existing CEQA VMT Impact threshold to the current jurisdictional baseline, and direct staff to conduct a workshop to educate the development community and, by a vote of 7 Ayes and 1 Noe with 1 Board member absent, recommend approval as detailed within the report.

Planning Commission:

On November 21, 2024, the Planning Commission reviewed the proposed adoption of a Resolution approving the VMT Mitigation Bank Pilot Program, the introduction of an Ordinance of the Riverside Municipal Code (R.M.C.) by adding Chapter 16.80 related to the VMT Impact Fee Program, an amendment of a Resolution modifying the existing California Environmental Quality Act (CEQA) VMT Impact threshold, and direct staff to conduct a workshop to educate the

development community and, by a unanimous vote of 6 Ayes with 3 Commission members absent, recommend approval as detailed within the report.

Land Use Committee

On December 9, 2024, the Land Use Committee reviewed the proposed adoption of a Resolution approving the VMT Mitigation Bank Pilot Program, introduction of an Ordinance of the Riverside Municipal Code (R.M.C.) by adding Chapter 16.80 related to the VMT Impact Fee Program, an amendment of a Resolution modifying the existing California Environmental Quality Act (CEQA) VMT Impact threshold, and direct staff to conduct a workshop to educate the development community and, by a unanimous vote of 2 Ayes with 1 Committee member absent, recommended approval as detailed within the report.

BACKGROUND:

In 1965, the Highway Capacity Manual introduced the term Level of Service (LOS) as a qualitative measure for automobile delay and congestion when evaluating transportation impacts. The Level of Service methodology translated into letter grades, A through F, and has been used by the transportation industry for decades to determine vehicle impacts and acceptable mitigation.

In 2013, Senate Bill (SB) 743 was signed into law which requires local agencies implementing the California Environmental Quality Act (CEQA) Guidelines to establish a new metric for determining the significance of transportation impacts. In 2018, the CEQA guidelines required all local agencies to adopt Vehicle Miles Traveled (VMT) as the new measure to evaluate transportation impacts under CEQA with an effective implementation date of July 1, 2020.

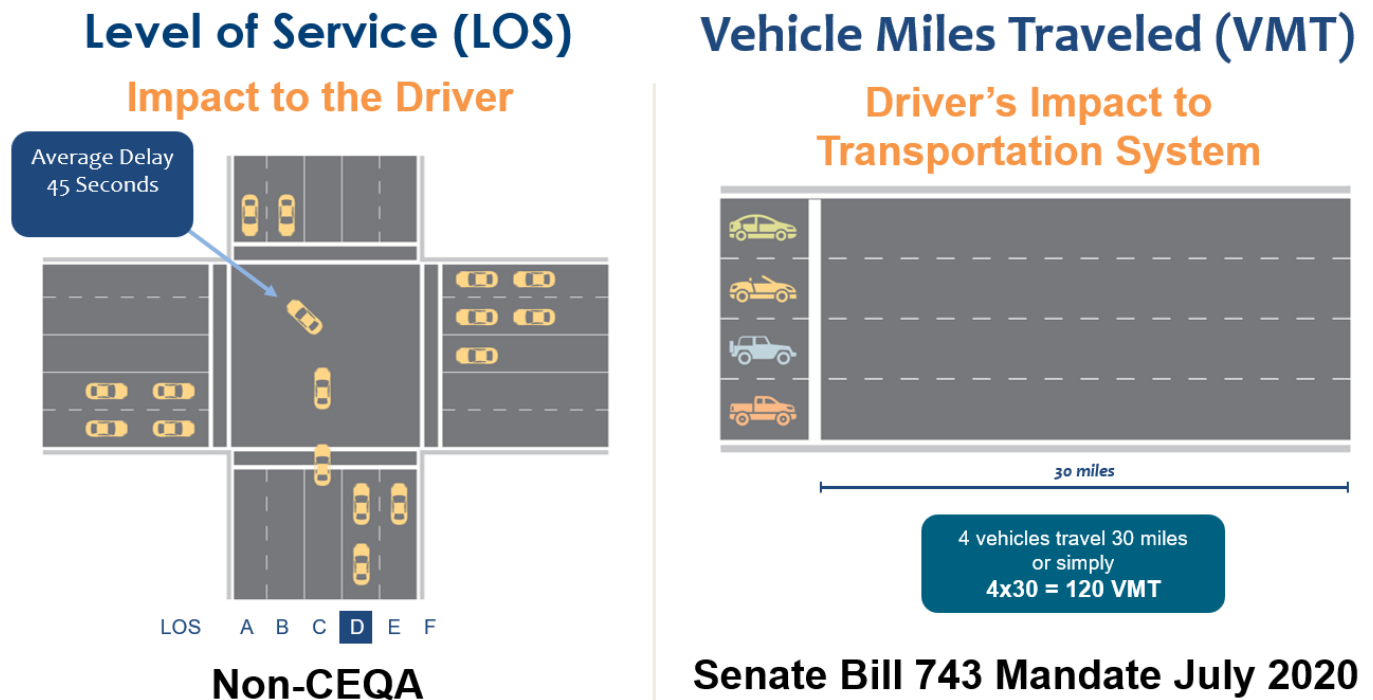


Figure 1: Level of Service (LOS) comparison transportation metric with Vehicle Miles Traveled (VMT).

On June 16, 2020, the City Council adopted Vehicle Miles Traveled (VMT) as the new transportation metric and established a modified Traffic Impact Analysis (TIA) Guidelines in compliance with the state mandate. The initial VMT adoption established VMT thresholds and

screening criteria such as projects located in a Transit Priority Area, Low-VMT generating area, Project Type Screening, and Redevelopment Projects. The TIA guidelines were consistent with the regional recommendations established by the Western Riverside Council of Governments (WRCOG) and an online VMT screening tool.

If a development project cannot be exempted based on the screening criteria, then the project must be analyzed using the Riverside County Transportation Model (RIVCOM) travel demand model to determine the project's VMT impacts and determine potential mitigation.

In the past four years since the VMT metric adoption, the city received an estimated 175 development applications annually. Based on the currently established VMT screening criteria, approximately 90% of these projects are exempt from VMT analysis. The challenge is identifying adequate mitigation measures for the remaining 10% of the development projects that are not exempt from VMT analysis.

The California Air Pollution Controller Officer's Association (CAPCOA) Handbook allows for a wide variety of VMT reducing strategies such as on-site and off-site travel mode improvements, land use solutions, and transportation demand measures. As a lesson learned, mitigating VMT impacts has proven to be far more difficult than what the State had envisioned. In practice, only partial VMT impacts are generally mitigated despite using all available CAPCOA VMT reducing strategies. If a project cannot fully mitigate its VMT impacts, then this may result in a significant and unavoidable transportation impacts which could lead to the preparation of an Environmental Impact Report (EIR). EIRs have substantial costs, will delay the project for months and are subject to discretionary local approvals.

A VMT Mitigation Program can provide a potential solution to mitigate transportation impacts and an opportunity for projects to avoid processing EIR's, streamline the development process, provide certainty to developers, and be utilized as a mitigation resource for other agencies. A VMT Mitigation Program can also be utilized as a potential funding source for non-vehicular improvements such as active transportation and transit projects.

Currently, the City of Riverside (along with most California municipalities) does not have a VMT mitigation program for reducing projects' VMT impacts. A pilot program is recommended to be established at this time to provide flexibility for a full program rollout once the pilot program is completed.

DISCUSSION:

The proposed Vehicle Miles Traveled Mitigation Bank Pilot Program Report is included as Exhibit 1. The following is a discussion of the program including community engagement, program alternatives, mitigation measures and final recommendations.

On February 2023, the City entered into an agreement with Kimley-Horn and Associates to prepare a VMT Mitigation Program that evaluated a bank, fee, or exchange alternatives that would allow developers another option to offset VMT impacts.

The VMT Mitigation Program project included extensive outreach to educate and receive input from stakeholders and the public as noted in Figure 2.



Figure 2: Comprehensive Community Engagement Summary
Source: City of Riverside Vehicle Miles Traveled (VMT) Mitigation Program Report

The comprehensive community engagement included multiple Stakeholder Advisory Committee (SAC) meetings, a public “town hall” meeting, a developers-only meeting, establishment of a website Riversidevmt.com, and an online survey. The SAC consists of local stakeholders including Western Riverside Council of governments (WRCOG), Riverside Transit Authority (RTA), County of Riverside, and University of California Riverside (UCR), etc.

The VMT Mitigation Program assessed three of the most common program types - Bank, Fee or Exchange programs against the six program evaluation criteria which included Legal, Effectiveness, Geography, Administration, Equitable, Alignment, Timeliness, and Feasibility. A VMT Bank structured program was selected as the most applicable option and was the ultimate recommendation from the SAC.

A VMT Mitigation Bank is a structured program designed to help project applicants offset their VMT impacts by purchasing credits from a central repository of VMT Mitigation Measures. City Staff will administer the program and will continuously monitor and provide modifications as necessary.

The study analyzed the specific mitigation measures that could be included in the City’s fee-based VMT mitigation program such as 29 bicycle improvements, 11 pedestrian improvements, 6 transit operations projects, and 2 Transportation Demand Management (TDM) projects. The project list was selected from existing City plans and documents such as the Riverside P.A.C.T., the City’s Bicycle Master Plan, the Northside Specific Plan, and several one-on-one agency meetings (such as RTA, WRCOG, UCR, and County of Riverside).

Two innovative cost cutting programmatic strategies were implemented to lower the program costs:

1. Only bicycle project improvements achieving a cost per unit VMT reduction of less than \$2,000 requirement were utilized.
2. The city leveraged twelve (12) bike improvement projects from a recently awarded Fiscal Year 2024 Safe Streets for All (SS4A) grant program that will cover 80-percent of the total project’s costs, with the City responsible for the remaining 20-percent. These twelve (12)

bikes improvement projects were included in the VMT Mitigation Bank Program with a cost estimate at 20-percent of the total project’s costs to complete the funding gap.

Thus, the program recommended three different options with the intent to minimize costs to the extent feasible as shown in Table below:

Table 1: Recommended VMT Mitigation Measures

OPTIONS	TYPE OF IMPROVEMENTS	COST/VMT
A	BICYCLE PROJECTS ONLY	\$98
B	BICYCLE & TRANSIT	\$1,192
C	BICYCLE, TRANSIT & PEDESTRIAN	\$1,287

Based on this analysis, Option A (the recommended option) is the lowest cost alternative available for the pilot VMT Mitigation Pilot Program with a cost of \$98 per unit VMT reduction. This unit cost represents the base unit fee to mitigate each VMT above the VMT threshold for new development projects to fully mitigate VMT impacts. The existence of a VMT bank establishes mitigation that must be considered for any project within the city regardless of whether the bank has been identified in a program EIR as a mitigation measure. However, it should be noted that a mitigation bank may not make all projects financially feasible for mitigation.

The VMT Mitigation Bank Fee Pilot Program is an optional program that will provide an alternative mitigation to projects with VMT impacts. Developments have other options such as proposed WRCOG Exchange VMT Program and/or complete the Environmental Impact Report.

ADDITIONAL CONSIDERATIONS:

Comparison VMT Bank Unit Costs:

While many local agencies do not have a VMT Mitigation Program established, a statewide review of jurisdictions that have VMT Mitigation Programs developed resulted in a cost per VMT reduced in the range of \$150 - \$1,524 per VMT reduction costs from 5 cities (City of Lancaster, City of Palmdale, City of San Diego, City of Watsonville, San Bernardino County Transportation Authority (SBCTA)). The City of Lancaster’s program has one of the lowest costs per VMT reduction due to the city subsidizing a significant portion of the costs.

WRCOG VMT Mitigation Exchange Program Option:

The Western Riverside Council of Governments (WRCOG) is also establishing a VMT Mitigation Program in the form of a voluntary VMT Exchange Program where any agency can voluntarily participate by executing an agreement with WRCOG, submit VMT-reducing projects to be included in the Program, and VMT-reducing projects would then be available for purchase to generate VMT credits. The exchange program could include strategies such as transportation infrastructure, transit programs, land conservation, and funding for affordable housing. Development of this program started in 2021 and is anticipated to have a pilot program available soon.

VMT Bank Program Funds:

Any potential revenue received from the proposed pilot VMT Mitigation Bank program will be utilized to construct or implement pre-selected bicycle, pedestrian or transit projects that were

included as VMT reducing projects as part of the analysis. Dependent on individual project needs, and availability of VMT within the bank, the City Traffic Engineer may consider a cap on project contributions to the bank. Revenues from the bank cannot be utilized for vehicle traffic improvements as it is not consistent with the intent of SB 743. To be legally compliant, SB 743 encourages a transportation mode shift and is intended to reduce single occupancy vehicular movements. Additionally, the existing regional Transportation Uniform Mitigation Fee (TUMF) program already collects fees to fund local vehicle transportation projects to improve passenger vehicle traffic on the arterial roadway network.

General Plan Update:

The City is evaluating alternative approaches to SB 743 as part of its upcoming General Plan update which may alter this approach. A programmatic EIR for the General Plan could allow individual projects to tier and mitigate cumulative impacts by contributing to the bank. Under the program EIR for the General Plan, concerns of timeliness and economic feasibility and allowance for tiering of individual projects that are consistent with the General Plan, can be explored.

CEQA VMT Threshold Amendment:

The City's original VMT adoption in 2020 established the CEQA VMT impact threshold to be 15% below the current jurisdictional baseline for both VMT per capita (residential projects) and VMT per employee (office and industrial projects). In recognition that the City of Riverside, as a whole, is the dense urban center of the County and in general experiences reduced VMT per capita, the City has the option to amend the CEQA VMT impact threshold to be at the current jurisdictional baseline instead of the current 15% below threshold. Other agencies that have adopted CEQA VMT impact thresholds at jurisdictional baseline conditions include the City of San Bernardino, SBCTA, Riverside County, and City of Jurupa Valley. The modifications of the CEQA VMT impact threshold would align Riverside with adjoining agencies. If the CEQA VMT threshold amendment is recommended, then an amendment to Resolution 23589 will be required. A draft amendment to Resolution 23589 is attached.

NEXT STEPS:

Contingent upon successful adoption of the VMT Mitigation Program, staff will conduct a workshop to educate the development community in the application of the new VMT Mitigation Program including a training session on the TredLite software. The pilot program's implementation and evaluation are anticipated to begin in early 2025 with an annual status review update. At the conclusion of the pilot program, a final program determination will be evaluated.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

Prepared by: Philip Nitollama, City Traffic Engineer
Approved by: Gilbert Hernandez, Public Works Director

Attachment: Ordinance with Exhibit A - Chapter 16.80 of the Riverside Municipal Code