

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: Riverside

4080 Lemon St., 1st Floor

Riverside, CA 92501

From: (Public Agency): City of Riverside Traffic Division
3900 Main Street, 4th Floor (Public Works Department)
Riverside, CA 92522

(Address)

Project Title: Vehicle Miles Traveled (VMT) Mitigation Bank Pilot Program

Project Applicant: City of Riverside

Project Location - Specific:

City of Riverside

Project Location - City: Riverside Project Location - County: Riverside

Description of Nature, Purpose and Beneficiaries of Project:

The Riverside VMT Mitigation Program would implement a VMT bank program to require development projects to offset project generated VMT by paying a per VMT fee to the bank. The VMT bank would be established by the City through the implementation of VMT-reducing projects. The amount of VMT that would be reduced through such projects would then be used to establish a fee that is proportional to the associated costs of the VMT-reducing projects. Future development projects that would produce VMT would be required to pay the established fee per VMT generated.

Name of Public Agency Approving Project: City of Riverside

Name of Person or Agency Carrying Out Project: City of Riverside

Exempt Status: (check one):

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: 15308 Actions by Regulatory Agencies for Protection of the Environment
- ☒ Statutory Exemptions. State code number: 15262 - Feasibility and Planning Studies

Reasons why project is exempt:

Exempt under CEQA Guidelines Section 15061(b)(3), Section 15262, and Section 15308. See Attachment A.

Lead Agency
Contact Person: Philip Nitollama Area Code/Telephone/Extension: 951-568-5021

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? **Yes** No

Signature:  Digitally signed by Philip Nitollama
Date: 2024.12.20 11:38:54 -08'00' Date: 12/20/2024 Title: City Traffic Engineer

Signed by Lead Agency

Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

ATTACHMENT A

BACKGROUND, PROJECT DESCRIPTION AND JUSTIFICATION FOR CEQA EXEMPTIONS

1.0 PROJECT BACKGROUND

In 2013, SB 743 was signed into law which required the Governor’s Office of Planning and Research (OPR) to establish a new metric for identifying and mitigating transportation impacts for projects that are subject to the California Environmental Quality Act (CEQA). OPR identified Vehicle Miles Traveled (VMT) as the new metric. In accordance with SB 743 and the OPR’s designated VMT metric, the City of Riverside (City) adopted VMT thresholds in July 2020. Many of the development projects within the City are screened out based on the City’s existing screening criteria; however, some development projects cannot meet adopted thresholds for reducing VMT.

To encourage reductions in VMT, the City has analyzed various types of fee-based VMT mitigation programs, such as VMT banks, VMT exchanges, and VMT impact fee programs. VMT banks are established by implementing VMT-reducing projects within the City, such as improving pedestrian and bicycle facilities within the City. The VMT reductions are then placed in a “bank” with an associated fee that a development project would “purchase” to offset VMT that would be generated as a result of project implementation. VMT exchanges work similarly, with the main difference being that applicants have the option to choose a single project from an existing list or program of VMT-reducing projects or propose a VMT-reducing project for implementation that may not appear on said list. The program that is chosen or proposed would have to meet the minimum VMT reductions that the project would generate. VMT impact fee programs would function similarly to how existing development fee programs work. In this case, a development project would be required to pay a fee to offset its VMT impact.

Based on the results of the analysis, the VMT bank program would be the recommended framework for the City’s future VMT Mitigation Program. The VMT bank program would address all reasonable and feasible VMT mitigation opportunities. Compared to all other VMT Mitigation Programs, the VMT bank can successfully address legal, effectiveness, geographical, administrative, equitable, and alignment concerns. Additionally, the VMT bank would best reduce complexity and allow for concerns around equity to be addressed by public agencies.

2.0 PROJECT DESCRIPTION

Project Location – Specific

The VMT bank program would be implemented in the City of Riverside and would be applicable to all future discretionary development projects proposed within the City, that are subject to CEQA, and that have been determined to have a significant VMT impact. The program is voluntary, in that individual projects may choose to address VMT impacts on a project-by-project basis.

Existing Conditions

Currently, there is no City-wide VMT mitigation program implemented that would help reduce VMT within the City. Where a significant VMT impact has been identified, at present the available VMT mitigation options for applicants are to modify the proposed development project such that impacts to VMT are

reduced, implement Transportation Demand Management or other VMT-reducing measures, or if those two options are not available, prepare an Environmental Impact Report (EIR) and adopt a Statement of Overriding Considerations.

Project Operations

The VMT bank program would be established by calculating a fee per VMT. This can be done by first identifying VMT-reducing projects and evaluating the extent of reduction for each identified project. The total reductions from all projects are combined to calculate the total mitigated VMT, which would then become the VMT bank, or the amount of VMT available for projects to “buy” to offset project generated VMT. To determine the cost to mitigate future VMT, the associated costs of each VMT-reducing project are summed; the sum is then divided by the total VMT reductions (from VMT-reducing projects). Once the available VMT is used by development projects purchasing from the VMT bank, the VMT bank would need to be replenished with new VMT-reducing projects added.

The VMT bank program would be an opt-in program that would contain both physical and non-physical improvements. The City would only be committed to implementing or constructing VMT mitigation measures once enough developers have paid into the program. It would then be within the City’s jurisdiction to choose which mitigation measures to implement or construct.

Description of Nature, Purpose, and Beneficiaries of Project

Purpose and Need

While many development projects within the City can be screened out based on the City’s existing VMT screening guidelines, some development projects may not meet the threshold criteria for reduced VMT. As such, the VMT bank may serve as a mitigation program that would allow the City to offset future unavoidable VMT generation within the City as a result of future development projects. Using funds from development project applicants paid into the program to mitigate their VMT impact, the City can invest in VMT-reducing projects, such as those improving and increasing alternative modes of transportation within the City (bicycle lanes, pedestrian facilities, public transit improvements, etc.). Based on the total cost of the VMT-reducing projects and the total reduction in VMT resulting from such projects, the VMT bank would allow those development projects that cannot feasibly mitigate the VMT to pay for the VMT that cannot be reduced. The purpose of this VMT mitigation program would be to provide a feasible mitigation measure to development project applicants that would reduce their VMT impact to less than significant levels by funding VMT-reducing projects constructed by the City using funds paid into the program.

Beneficiaries of Project

Reducing VMT would reduce greenhouse gas emissions and help reduce air quality impacts due to the decreased reliance on motorized vehicles and associated reduction in vehicular-oriented emissions. Additionally, the VMT mitigation program would allow the City to invest in alternative transportation projects that would provide diverse transportation opportunities for residents and businesses, further reducing reliance on vehicular travel. Planned pedestrian and bicycle facility improvements as well as improved public transit projects can improve the circulation system within the City and improve traffic in high-volume areas. The VMT bank would also allow the City to expedite processing projects with identified VMT impacts and minimize or eliminate the need for additional environmental studies. By utilizing the

VMT bank, the City can directly use the money obtained from the VMT fees paid by development projects to fund more VMT-reducing projects.

3.0 REASONS WHY THE PROJECT IS EXEMPT

Applicable CEQA Exemptions

Section 15262 (Feasibility and Planning Studies) states that “a project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.”

Section 15308 (Actions by Regulatory Agencies for Protection of the Environment) states “Class 8 consists of actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption.”

In addition, the Project is exempt pursuant to the “common-sense” exemption found in CEQA Guidelines Section 15061(b)(3). The common-sense exemption applies to projects that don’t necessarily fit within a statutory or categorical exemption, but “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment,” the activity is exempt from CEQA (CEQA Guidelines Section 15061(b)(3)).

Justification why Project is Exempt: The VMT mitigation program does not propose any development or redevelopment of any kind. Thus, the program is exempt because program approval does not commit the City to any specific course of action. The program would serve as a study for possible future actions of the City to implement a mitigation program to mitigate overall VMT generated from development projects. Once implemented, the VMT mitigation program would be voluntary for future development projects that are subject to CEQA and are not able to mitigate VMT impacts on a project-specific level. These projects, on a voluntary basis, could evaluate the projected VMT that would be generated and pay a fee to the VMT bank to offset potential VMT associated with project development. The VMT mitigation program would not result in environmental impacts, as the purpose of the program is to reduce VMT within the City implementing reasonable and feasible VMT mitigation projects. This program is voluntary and does not create a “legally binding effect” upon the City or future projects. Due to the limited level of detail known at this time, as the program is voluntary for participation, exempting the program is appropriate. Lastly, the program would reduce VMT which would reduce greenhouse gas emissions and help reduce air quality impacts, thus restoring and protecting the natural and human environment. Therefore, the VMT mitigation program would be statutorily exempt from CEQA under a Section 15262 Feasibility and Planning Studies and categorically exempt under Section 15308 Actions by Regulatory Agencies for Protection of the Environment.