



**Item #16-12-2  
Action**

**Land Use & Natural Resource Committee**

November 23, 2016

**Contract with Portland State Urban Sustainability Accelerator and Activities to Accomplish Phase 2 of SB 743 Analysis**

**Issue:** Should the SACOG CEO be authorized to negotiate and sign an amendment to the agreement with Portland State University's Urban Sustainability Accelerator (USA) and to perform activities for the execution of the second phase of the Senate Bill 743 analysis?

**Recommendation:** That the Land Use & Natural Resource Committee recommend that the Board authorize: 1) the SACOG CEO to negotiate and sign a contract amendment with USA; and 2) authorize SACOG to perform other SB 743 Analysis activities per the description below.

**Discussion:** The USA program of Portland State University has been providing technical assistance to SACOG and its member agencies for implementation of the Blueprint since January, 2015. The existing agreement with USA is for \$252,000 in technical assistance funded through the Strategic Growth Council Round 3 (SGC 3) grant. USA has been providing services to many SACOG jurisdictions that requested technical assistance to implement Blueprint principles, including the cities of Winters, Colfax, Citrus Heights, Sacramento, Davis, Placerville, and the counties of El Dorado and Placer.

In addition, through this same technical assistance grant, USA has facilitated and coordinated a state-wide discussion with Metropolitan Planning Organizations (MPO), led by SACOG, on the implementation of SB 743. A group of the four largest MPOs, the State Office of Planning and Research, CalSTA, Caltrans, CALCOG and other entities, have been discussing how to transition project-level analysis of transportation impacts from a level of service (LOS) to vehicle miles travelled (VMT), which is a major shift. The first phase of this analysis is covered by the existing agreement between SACOG and USA utilizing SGC 3 funds. Phase 1 included four workshops with these key parties from around the state.

The second phase of the project, which will include a number of case studies comparing LOS with VMT analysis methods, would be paid for through a variety of funding sources. The Southern California Association of Governments (SCAG) and Caltrans have pledged \$120,000 and \$50,000 respectively for phase 2, with the funding to be managed by SACOG. It is possible that other cash pledges will come in. In addition, USA applied for and received a \$125,000 grant from the Transit Center, a national non-profit organization promoting transit usage. SACOG would utilize an additional \$50,000 of its remaining SGC 3 grant to pay for some of SACOG staff's time. In addition, the other MPOs and State agencies have offered \$218,515 of in-kind (non-cash) labor matches.

In sum, SACOG would manage the \$170,000 from cash contributors and utilize \$50,000 of SACOG's SGC 3 grant for staff time, while USA provides its \$125,000 match grant to the project. As such, staff is requesting the following authorizations:

- (1) For SACOG to serve as contract administrator by collecting and managing all cash contributions from SCAG, Caltrans and any other contributing entities and oversee the disbursement of phase 2 funds.
- (2) For SACOG to negotiate and sign an amendment to USA's agreement with SACOG increasing USA's budget by the \$170,000 pledged from contributing partners.
- (3) If additional contributed funds are provided by other parties to the phase 2 project, for SACOG to serve as the administrator of those funds and to directly negotiate and sign further agreements/amendments with USA or other contractors utilizing SACOG procurement policies.
- (4) As part of its contribution, for SACOG to dedicate \$50,000 in its remaining discretionary SGC 3 grants for SACOG staff labor in phase 2. SACOG would also provide soft-cost matching with SACOG labor to contribute to the project.

For background information, the draft scope of work that USA provided for the Transit Center Grant and a background summary provided to the Strategic Growth Council are attached.

Approved by:

Mike McKeever  
Chief Executive Officer

MM:GC:ts  
Attachments

Key Staff:

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## **California SB 743 Implementation Project**

Services provided by the Urban Sustainability Accelerator at Portland State University  
To Sacramento Area Council of Governments  
Spring 2016 – Winter 2017

Note: This version of the scope of work is written specifically for the Sustainable Growth Council's Sustainable Planning Grant awarded in Cycle 3 to the Sacramento Area Council of Governments (SACOG). The SACOG SGC3 grant would fund only the specific activities as identified below; other activities would be paid by other fund sources.

Lead Organization: Sacramento Area Council of Governments (SACOG)

Consultant: Portland State University's Urban Sustainability Accelerator (USA)

### **Relevance to SACOG SGC 3 Grant**

SACOG's SGC Sustainable Planning Grant Round 3 is titled "Accelerating Local Implementation of the Sacramento Region Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)". One of the three major activities of the grant is:

"to provide technical assistance to help SACOG member cities and counties implement the more compact growth pattern of the MTP/SCS and create more economically vital, health and livable communities by addressing policies and implementation barriers to revitalization and/or intensification...."

This proposed task addresses one of the key barriers to implementing compact growth – how transportation impacts are analyzed for infill development. SB 743 was enacted to address this through a different means of evaluation. However, around the state, regional and local governments are addressing this differently, and more case studies around the state need to be conducted to evaluate how to implement and address this new law. SACOG and its consultants are facilitating statewide discussions on how to do this, and performing case studies. The SGC 3 grant will help cities and counties in the region overcome these obstacles to revitalization.

### **Overall Project Purpose**

The purpose of the project is to help SACOG, in association with peer agencies, to understand and implement a major change in California state policy guiding planning and environmental review of land use and transportation projects under the California Environmental Quality Act (CEQA).

As directed by Senate Bill 743 the Governor's Office of Planning and Research (OPR) has proposed a new rule and technical guidance shifting review under CEQA from maintaining an adequate supply of road capacity (the Level of Service "LOS" standard) to reducing demand for automobile travel (a Vehicle Miles Traveled "VMT" reduction standard). The changes are intended to create more economically vital,

healthy and livable communities by addressing policy and implementation barriers to revitalization and intensification of centers and corridors.

The project will focus on the application of the rule, technical guidance and mitigation opportunities drawn from peer-reviewed literature to case study areas outside of the “Transit Priority Areas.” Some of these areas are geographically in the SACOG region. (Others studied outside the region will be funded by other non-SACOG-awarded SGC 3 grant funds.

The goal of the project is to improve implementation of the groundbreaking California legislation in the SACOG region (in tandem with other regions) through several illustrative demonstration projects, including some in the SACOG region. The information developed as part of the project will provide a nationally important model for shifting the focus of transportation planning and investments from congestion mitigation to increased transportation choices and a broader array of community benefits.

This project, by retaining the new rule and facilitating the switch from LOS maintenance to VMT reduction, would result in an important outcome for SACOG and the state.

## **Overall Desired Outcomes**

Desired outcomes include:

1. Detailed study reports for several demonstration projects, including specific recommended implementation approaches for each of six plans/projects to the EIR, local government regulation and, if relevant, the SIP.
2. Any refinements to the existing OPR draft technical advisory.
3. Sharing what has been learned with other parts of the country, through workshops, webinars, and conference presentations.
4. For the SACOG region specifically, addressing policy and implementation barriers to revitalization and intensification of centers and corridors.

Results will be used by SACOG and other participants, and the California State Office of Planning and Research (OPR) to carry out next steps for integration of decision-making into OPR rule-making; and at the SACOG-level, analysis of project prioritization and evaluation of progress towards priorities that implement the SACOG Sustainable Communities Strategy.

## **Timeline**

### ***Phase I - April-September 2016***

#### **Funded in part through California Strategic Growth Council (CSGC) Grant to SACOG**

Phase I begins with two workshops in May and June, led and facilitated by SACOG and its consultants in Sacramento with OPR, Southern California Association of Governments (SCAG), possibly representatives of the Metropolitan Transportation Commission and San Diego Association of Governments and key

members of Portland State University's (PSU's) consulting team. A third workshop may be held in August.

Purposes of the workshop include: a) clear understanding by all parties of the intent and specific details of the OPR draft recommendations, b) identification of key peer-reviewed research underlying OPR's proposal, c) identification of key research questions and analysis techniques for answering them, and d) generic typologies for six demonstration projects (including in the SACOG region) to conduct in Phase II. Phase I will also generate a detailed scope of work and budget, funding plan, and final list of core partners and stakeholders for Phase II and recruitment of the core partners. This Phase II scope of work will identify the technical questions to be answered and assigning tasks and costs to the participants.

***Phase II - October 2016 – Summer 2017***  
**Funding other than CSGC Grant**

Based on the first phase, and dependent on additional funding, a second phase will be carried out using detailed case studies to verify the feasibility of OPR's proposed metric, and to explore alternative methodologies, thresholds and mitigation measures by MPOs to inform updates to the draft technical advisory at a later time. The case studies will be selected for diversity of geography, and for a mix of land use and transportation projects. We anticipate there will be a wide range of scales of those projects (i.e., large-scale, public sector initiated land use plans and smaller-scale developer initiated plans, and transportation plans that have highway or surface street projects).

The demonstration projects will be sufficiently detailed to illustrate implementation in a variety of contexts. The final products will be used to build capacity among lead agencies in implementation. OPR may also use the final products, together with the results of other demonstration projects and other lessons learned from monitoring of early implementation, to further refine the technical recommendations in the draft technical advisory. Such information could be relevant in future updates to the CEQA Guidelines (Pub. Resources Code § 21083(f)). The final product should also inform local governments and other lead agencies regarding the appropriate role for local governments policies, standards, exactions, etc. for transportation impacts of the projects through their police power based regulatory authority.

## **Scope of Work – SB 743 Project (“From Driving More to Driving Less”)**

### **Task 1: Case Study Selection.**

The project leadership team (“Leadership Team”; as designated in Appendix C – Budget) will select case studies from at least four California MPO regions. PSU Urban Sustainability Accelerator project staff and consultants (“Project Team”) will, in consultation with Leadership Team, compile sufficient information about each potential case study (existing conditions, illustrations, maps, study area definitions, etc.) to enable Leadership Team to select 4-6 cases for complete development in Task 2.

**Target completion date:** January 15, 2017

**Milestone:** Written or bulleted summaries of all potential case studies, a list of 4-6 case studies chosen by Leadership Team to pursue in the Driving Less Project, and a short (e.g. one paragraph) narrative justification for the choice of those 4-6 case studies.

### **Task 2 (parts A and B): Case Studies.**

For the 4-6 case studies based on completed CEQA work, Project Team will collect detailed information such as:

- Purpose and need statements
- Methods used for measurement of LOS, including through traffic
- Methods used for estimation of induced travel
- Methods used for forecasting secondary/cumulative land use impacts of transportation projects
- Study area definition, and methods used for its development

In addition, Project Team will undertake a variety of technical analyses to enable a comparison of findings from completed CEQA studies (where available) to the findings anticipated under SB 743. If a case study is selected for which CEQA work has not yet been undertaken, Project Team will conduct an analysis to learn what results might be anticipated under SB 743. Technical analyses include the following (which will be required in future CEQA work under SB 743):

- Forecasts of VMT and related metrics using existing regional travel models and/or simplified sketch models, as appropriate. Suitable study areas and other assumptions will be determined consistent with the proposed regulatory language from SB 743.
- Land use impact assessments of transportation facilities, at a level of detail consistent with project resources.
- Air quality analysis (criteria pollutants, GHG emissions). Project Team will also address technical topics that may influence the overall applicability, effectiveness, and ease of use of the new law. Example topics include determination of a suitable, project-level VMT threshold for review; standards and locations for exemptions; regulatory relationships to regional Sustainable Communities Strategies; and local and regional mitigation issues and opportunities.

**Target completion date (2A):** July 1, 2017

**Milestone (2A):** Narrative summaries of the first 2-3 technical case study analyses

**Target completion date (2B):** October 1, 2017

**Milestone (2B):** Narrative summaries of the final 2-3 technical case study analyses

**Task 3 (parts A and B):** *Preparation of Findings.*

Through in-person meetings and virtual conferences, the Project and Leadership Teams will identify key findings from the set of case studies to inform the final version of the CEQA guidance and its use in future CEQA reviews. The findings will address a set of questions including:

- Do we understand and agree on how projects will be analyzed under the guidelines, and how that differs from current practice? If not, why not?
- Will application of the guidelines promote reductions in GHG emissions, enhance transit and other modes of transportation, and encourage infill development as directed by SB 743?
- What kinds of impacts were, or might be, facilitated by mitigation?
- Will it be clear to “lead agencies” how to proceed? Will the analysis be easy or difficult to undertake?
- What are the proposed revisions to the State of California Governor’s Office of Planning and Research’s (OPR’s) draft CEQA guidelines and technical advisory?
- What are the benefits from the proposed revisions?
- What are the proposed recommendations, if any, for further legal, technical, and other research?

**Target completion date (3A):** October 1, 2017

**Milestone (3A):** Written report summarizing the first 2-3 case study findings

**Target completion date (3B):** December 1, 2017

**Milestone (3B):** Written report summarizing the final 2-3 case study findings

**Task 4:** *California Implementation Plan.*

The Leadership Team will use the results of Tasks 1-3 to expedite SB 743 implementation in California, through a comprehensive consideration by OPR of lessons learned from the case studies; adoption of the project’s analytic methods by metropolitan planning organizations (MPOs) as part of implementing CEQA; and compliance with CEQA guidelines by other designated “lead agencies.” The project will accelerate statewide implementation through a set of white papers and guidance documents, including but not limited to a set of resource reports on (1) local and regional VMT mitigation strategies, land use impact assessment methods, and relationships between land use, community design, VMT and GHG; and (2) refinements and supplements to guidance for CEQA analysts on such issues as study time frames, impact area definitions, and land use assumptions. Project Team will also draft a narrative summary of Driving Less Project findings. Lastly, Project Team will produce a work plan for relevant California agency stakeholders, with a list of additional actions to take as a result of the Driving Less Project findings.

**Target completion date:** April 1, 2018

**Milestone:** White papers and technical guidance documents for California government stakeholders, narrative summary of Driving Less Project findings, and work plan for agency staff (including list of additional actions to take as a result of this study’s findings).

**Task 5:** *Dissemination of Results.*

Project and Leadership Team will provide information to the media and offer opportunities for interviews. Materials will include web pages, presentations, fact sheets, recorded webinars, and journal articles. Project and Leadership Teams will report on the project at national conferences as well as through involved institutions’ websites, meetings, webinars and publications.

### Within California

Leadership Team will use Driving Less Project findings to further the following implementation actions:

- A comprehensive consideration by OPR of lessons learned from the case studies. This will occur during OPR's regular review of its CEQA guidelines (regulations), including any needed updates to the law's technical guidance.
- Adoption of the Driving Less Project's analytic methods by California's MPOs as part of the implementation of CEQA.
- Compliance with the new CEQA guidelines by other designated "lead agencies" under CEQA.
- A series of face-to-face and virtual conferences and training sessions throughout California, led and sponsored by OPR and/or the California MPOs participating in the Driving Less Project.

### Beyond California

Outreach materials will include web pages, PowerPoint presentations, fact sheets, recorded webinars, journal articles, and relevant articles or blog posts.

PSU's USA staff and project leadership team members will provide information to relevant media and industry publications and offer opportunities for interviews. The intent of initial reports and articles will be to generate interest in the results once they are available. Later media engagement will be intended to promote Driving Less Project results.

Project Team will seek opportunities to report on the Driving Less Project at meetings and conferences sponsored by target transportation and urban planning groups—including California agencies and organizations, federal agencies, professional associations, agency organizations (e.g. AASHTO, APTA, NARC), research organizations, non-profits, and media—as well as through their websites, webinars, and publications.

**Target completion date:** April 1, 2018

**Milestone:** Summary of California and national media/industry engagement, including relevant presentations, articles, webinars, webpages, and fact sheets, as well as a narrative description of potential impact (e.g. any interest received from other governments and possible next steps).