

Memorandum

To: SB 743 LIAISONS
DOT ENVIRONMENTAL MANAGERS

From: ERIC SUNDQUIST
Sustainability Advisor/SB743 Program Manager
Director's Office of Sustainability

Subject: VMT PROGRAM BULLETIN 21-01: VMT MITIGATION FUNDING STATUS AND ADDITIONALITY

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VMT Mitigation Funding Status and Additionality

The implementation of SB 743 on State Highway System (SHS) projects throughout California has focused attention on vehicle miles traveled (VMT) mitigation. Caltrans' investment strategy seeks to minimize any induced traffic that would generate VMT, which would reduce or eliminate the need for mitigation. The department seeks to provide safe access and mobility without adding roadway capacity wherever possible – through multimodal investments, operational improvements, and cooperation with local partners on demand management. In cases where projects on the SHS do generate VMT, for example by adding lane-miles, mitigation must be considered as part of the environmental analysis under the California Environmental Quality Act (CEQA). Section 5.7 of "[Transportation Analysis Under CEQA](#)" (Caltrans, 2020) provides an overview of mitigation strategies. This memo addresses some frequently asked questions not covered in that document. Material here is considered reliable but is subject to change as VMT-related CEQA case law develops.

Some of the mitigation strategies outlined in "Transportation Analysis Under CEQA" include investment in demand-reducing transportation facilities or programs, whether owned by Caltrans or a partner. To qualify as mitigation, such investments must produce a demonstrable negative effect on VMT. Moreover, as is the case with mitigation for any significant impact identified under a CEQA analysis, the mitigation must be "enforceable," or relatively certain to occur. On the other hand, mitigation need not be the exclusive reason for the delivery of a VMT-reducing project. If mitigation paid for half of a transit project, for example, it would be reasonable to apply half of the resulting VMT reduction as mitigation.

Many Caltrans districts and partners have developed lists of VMT-reducing projects they wish to build or improve. Induced VMT from a highway capacity project may potentially be mitigated via support for such projects. A critical step in asserting such mitigation is to assure that the investment provides additional resources that otherwise would not have been provided or providing the additional resources substantially earlier than they otherwise would have been available – a concept referred to as "additionality." Projects already built, for example, would generally not qualify. Likewise, a letter of support for a VMT-reducing project would probably not qualify, unless it could be shown that the letter played a major role in the project's delivery. One marker of whether a VMT-reducing project could be considered mitigation is its funding status and its status in a program or plan.

Programmed Projects

If a project or program is listed as funded in an approved programming document, such as the Regional Transportation Improvement Program (RTIP), this implies that funds are or will be available to that project. Therefore, if a project with this level of funding commitment was proposed for VMT mitigation for another project, it would not be providing any additional or “new” benefit to offset the VMT impact. In this circumstance, the project could not be used for VMT mitigation. There is a possible exception: a programmed project without full funding might be eligible as mitigation, but this would require substantial justification to explain why a programmed project would not have moved forward but for the mitigation support.

Projects in a “Fiscally-Constrained” Portion of a Regional Transportation Plan (RTP)

Projects or programs listed in the fiscally-constrained portion of a Regional Transportation Plan often do not have any short-term funds programmed. RTPs generally cover a minimum of 20 years of forecasted funds and projects. Therefore, many projects are listed in proposed “phases” within the planning period (such as years 0-4 for the programmed projects, years 5-10 for the higher priority projects to be drawn from in the next programming cycle, and years 10-20 for projects that are identified needs, but remain as lower priorities due to the limits of anticipated funding or other discretionary considerations). Projects with this funding status may provide offsets to VMT impact in several ways: accelerating a project from a later phase to provide the benefits earlier; providing certainty of funding; and/or limiting the risk of unanticipated downturns in future funding. On the other hand, some projects included in later phases of the RTP for design or construction funding may have development funds approved for earlier or completed phases, once again suggesting that there is a current or more substantial commitment to providing funding for the project. Therefore, projects or programs in the fiscally-constrained RTP would need to individually provide substantial evidence of VMT reduction, beyond what was already committed for funding, to be used as VMT mitigation.

Projects in an “Unconstrained” Portion of a Regional Transportation Plan

Projects or programs listed in the unconstrained portion of an RTP have no funding programmed or anticipated during the planning period covered by the Plan. In essence, these projects are recognized as needs, but the estimate of funding likely to be available during the planning period is not enough to provide funding for these projects and the investments required for the projects in the fiscally-constrained portion of the plan. Therefore, projects from this portion of the RTP that are evaluated to provide benefits to offset VMT impacts could be accelerated and therefore appropriate for VMT mitigation, as the benefits would be in addition to those that are already committed, funded, or planned for funding.

Summary

The project team will need to evaluate options for VMT mitigation. Should investment in projects or programs be considered for mitigation, the team will need to fully evaluate the funding status of the project or program as described in this memorandum. Substantial evidence that would support the use of the project or program as VMT mitigation for the project being developed would need to be documented as part of the CEQA environmental analysis.