

## REPORT TO CITY COUNCIL

**Approved by:**

Keith Helmuth, Department Director

Arnoldo Rodriguez, City Manager

**Council Meeting of:** June 24, 2020

**Agenda Number:** A-6

**SUBJECT:**

Comment Letter to Caltrans Director Toks Omishakin regarding Senate Bill 743 Implementation

**RECOMMENDATION:**

Approve a Minute Order Authorizing Mayor to Sign City of Madera Comment Letter to Caltrans Director Toks Omishakin regarding Senate Bill 743

**SUMMARY:**

Senate Bill (SB) 743 was signed in 2013 with the intention to “more appropriately balance the needs of congestion management with statewide goals related to infill development, promotion of public health through active transportation, and reduction of greenhouse gas emissions.” Once implemented, “traffic congestion shall not be considered a significant impact on the environment” within California Environmental Quality Act (CEQA) transportation analysis. For land use projects, vehicle miles traveled (VMT) has been established as the new metric for identifying and mitigating transportation impacts within CEQA. However, there are concerns that VMT may result in the increased costs of construction of new housing developments and apartment buildings, which then could be passed on to Central Valley residents.

Today, traffic impacts are understood through changes to Level of Service (LOS) and is largely weighted against wait times at intersections. The addition of vehicular traffic through the construction of any project that generates traffic typically results in a degradation of LOS, increases in delay and possible impacts on the environment if the existing roadway network capacity is insufficient to accommodate the increased demand. The mitigation for the impact, if achievable, serves to increase road capacity while doing very little to reduce environmental

impacts from the additional vehicles. Reduction goals in VMT however translate into less cars on the road at any given time and potential for less environmental impacts as less VMT generally results in reduced toxic emissions.

**DISCUSSION:**

Staff's review of concerns associated with SB 743 indicates a universal belief that implementation of SB 743 on July 1, 2020 will result in detrimental impacts to the valley and the City in particular. These concerns were voiced in the attached *Comments on SB 743 Implementation Letter* (Attachment 1) to the Director of Caltrans from the San Joaquin Valley Regional Planning Agencies Policy Council (Policy Council) of which the City is a member. While the Policy Council letter addressed the region as a whole, staff concludes that those impacts would be similar or greater to the City than those discussed. As such, staff utilized the Policy Council letter as a template that was largely mirrored in the City letter that staff recommends be approved by Council. Additional discussion is not provided herein as it believed the Policy Council and City letters effectively describes the background and concerns.

**FINANCIAL IMPACT:**

Approval of this item will not have an impact on the City's General Fund.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

The recommended action supports Strategy 135 – Affordable, Accessible Housing: Ensure adequate supply of affordable, accessible and barrier-free housing city-wide.

**ALTERNATIVES:**

Not approve the Minute Order – City of Madera opinion will not be voiced to Caltrans.

**ATTACHMENTS:**

1. San Joaquin Valley Regional Planning Agencies Policy Council Comments on SB 743 Implementation Letter
2. City Comments on SB 743 Implementation

**Attachment 1**

San Joaquin Valley Regional Planning Agencies Policy Council Comments  
on SB 743 Implementation Letter



June 11, 2020

Toks Omishakin  
Caltrans Director  
1120 N Street  
P.O. Box 942873  
Sacramento, CA 95814

**RE: Comments on SB 743 Implementation**

Dear Director Omishakin:

On behalf of the San Joaquin Valley Regional Planning Agencies Policy Council (Policy Council), we appreciate the opportunity to provide comments on the implementation of SB 743. The Policy Council represents the eight county metropolitan planning organizations and the 62 cities of the San Joaquin Valley on regional transportation and air quality issues. We have serious concerns about the implementation of SB 743, and its potential adverse effects on major goods movement transportation projects, and on housing and transportation cost for our disadvantaged communities.

Under SB 743, Caltrans and other California Environmental Quality Act (CEQA) practitioners, will adopt new guidance for CEQA significance determinations, including identifying the best approach for analyzing vehicle miles traveled (VMT) and induced travel for new projects. This effort stems from SB 743, which established special administrative and judicial review procedures under CEQA for the City of Sacramento's Golden 1 Sports Center. The bill, however, has been construed as providing guidance on reforming transportation and CEQA planning practices statewide, rather than for a specific project.

The San Joaquin Valley is the heart of California's transportation system, and is a major generator of economic activity within California. A significant majority of our agricultural commodities are transported by truck primarily using State Route 99, Interstate 5 and other major east-west corridors. Many of the transportation projects that are currently identified for construction through existing regional sales tax measures will improve these state highways and eliminate dangerous congestion bottlenecks. We have made promises to our voters to work with Caltrans to help fund these regional projects through our sales tax measures. The interpretation and implementation of SB 743 will impede these construction efforts, and contradicts the commitments we have made to our residents for locally funded highway improvements.

SB 743 also has an adverse impact on the cost of housing and transportation for our numerous disadvantaged minority communities. Costly VMT mitigation measures to be imposed by jurisdictions on new housing projects from SB 743, and an emphasis on job creation in urban centers,

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🌐 <http://sjvcogs.org/>

**Chair**  
Supervisor Chuck Winn  
San Joaquin County

**Vice-Chair**  
Supervisor Robert Poythress  
Madera County

San Joaquin  
Council of  
Governments

Tulare County  
Association of  
Governments

Fresno  
Council of  
Governments

Kern  
Council of  
Governments

Kings County  
Association of  
Governments

Madera County  
Transportation  
Commission

Merced County  
Association of  
Governments

Stanislaus  
Council of  
Governments

will increase, not decrease VMT. As a result, our lower income households will be burdened with additional housing and transportation costs resulting from SB 743.

The Valley's population is currently near 4.35 million residents and has grown by 159 percent since 1980. By 2050, our population will nearly double in size. We need to accommodate this projected growth and are not able to "rise" as a region if we sacrifice economic development through the restrictive and costly measures included in SB 743.

We do not support SB 743; however, we have several solutions to offer for your consideration:

1. Encourage and incentivize teleworking. The COVID-19 pandemic has provided a crash course in demonstrating that technology can be a solution to alleviating traffic congestion, improving air quality and quality of life.
2. Provide greater incentives for the purchase of electric vehicles, installation of charging stations along the state highway system, and retrofit homes to provide the proper charging outlets. This would provide for an immediate, cost-effective solution to improving air quality while enhancing mobility for residents.
3. Continue making investments into passenger rail service. This includes augmenting funding for grade separation projects to enhance safety from cross traffic, ensuring reliability of service, and reducing idling of vehicles at rail intersections. Continued investments to provide cost-effective and frequent service will help ease congestion and improve air quality.
4. Encourage innovation by transit systems to model service after transportation network companies through offering vanpool service, car sharing, and other alternatives rather than traditional bus routes.
5. Ship more containers and goods via freight rail to reduce truck traffic on major arterials such as Highway 99 and Interstate 5. This would greatly enhance safety, slow down road degradation, and alleviate congestion.
6. Provide greater incentives for businesses to locate or expand operations in the San Joaquin Valley. This would reduce GHGs, VMT, and is a greater return on investment than building expensive high-density housing in already densely populated, high-cost metropolitan areas.

Aside from SB 743, we strongly support the climate goals of the State of California and are deeply committed to improvements to passenger and freight rail systems, reductions in greenhouse gas emissions, reasonable reductions in vehicle miles travelled, improvements to walking, biking and other modes of transportation, and support transportation investments aligned with housing and economic development.

Achieving reductions in VMT amid rapid expansion and growth in our region continues to be a major policy discussion as we work to implement the goals of the Climate Investment Program. We will continue to welcome coordination and dialogue with the CARB, Strategic Growth Council, Housing and Community Development, California Transportation Commission, Caltrans and other State partners to address this topic.

We respectfully request that SB 743 be administered for its original purpose, and not be implemented for projects on the state highway system. We welcome the opportunity to have a constructive conversation on our proposed solutions to truly address mutual goals of reducing GHG and enhancing mobility in our region, and throughout our great state.

Thank you for your consideration.

Sincerely,



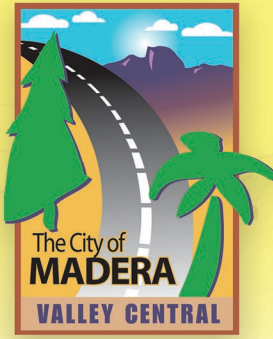
Chuck Winn

Chair of the San Joaquin Valley Regional Planning Agencies Policy Council  
Supervisor, San Joaquin County

cc: Kate Gordon, Governor's Office of Planning and Research  
Mary Nichols, California Air Resources Board  
David Kim, CalSTA Secretary

**Attachment 2**

City SB 743 Comment Letter



June 24, 2020

Toks Omishakin  
Caltrans Director  
1120 N Street  
P.O. Box 942873  
Sacramento, CA 95814

**Re: Comments on SB 743 Implementation**

Recently Caltrans received a letter from the San Joaquin Valley Regional Planning Agencies Policy Council which the City of Madera (City) is a member. While the City opinion was represented in that letter, we wanted to express those same opinions separately through this letter supported directly by the City Council of the City of Madera.

The City has serious concerns about the implementation of SB 743, and its potential adverse effects on major goods movement transportation projects, and on housing and transportation cost for our disadvantaged communities.

SB 743 marks a historical shift in how traffic impacts of development projects are to be evaluated and mitigated statewide. Under SB 743, Caltrans and other California Environmental Quality Act (CEQA) practitioners, will adopt new guidance for CEQA significance determinations, including identifying the best approach for analyzing vehicle miles traveled (VMT) and induced travel for new projects. This change is being made by replacing level-of-service (LOS) and eliminating traffic delay as an environmental impact under CEQA. This effort stems from SB 743, which established special administrative and judicial review procedures under CEQA for the City of Sacramento's Golden 1 Sports Center. The bill, however, has been construed as providing guidance on reforming transportation and CEQA planning practices statewide, rather than for a specific project.

The San Joaquin Valley is the heart of California's transportation system and is a major generator of economic activity within California. A significant majority of our agricultural commodities are transported by truck primarily using State Route 99, Interstate 5 and other



major east---west corridors. Two state highways pass through the City of Madera – State Routes 99 and 145 serving the needs of our residents and businesses. Many of the transportation projects that are currently identified for construction through existing regional sales tax measures will improve these state highways and eliminate dangerous congestion bottlenecks. The City and other member agencies to the San Joaquin Valley Regional Planning Agencies Policy Council have made promises to our voters to work with Caltrans to help fund these regional projects through our sales tax measures. The interpretation and implementation of SB 743 will impede these construction efforts and contradicts the commitments we have made to our residents and business’ for locally funded highway improvements.

SB 743 also has an adverse impact on the cost of housing and transportation for our numerous disadvantaged in the Valley, including the City of Madera. Costly VMT mitigation measures to be imposed by jurisdictions on new housing projects from SB 743, and an emphasis on job creation in urban centers, will increase, not decrease VMT. The highest costs imposed by the VMT regulation is in the areas farther away from job centers. Most often in the Valley, where housing can be developed at the lowest cost and as such serves as the primary source of housing for low- and middle-class families. As a result, our lower income households will be burdened with additional housing and transportation costs resulting from SB 743. Measures to mitigate VMT, especially in the Valley and in communities such as Madera will significantly drive up the costs of residential development that will disproportionately impact low- and middle-class families by eliminating their ability to purchase homes. For most communities in the Valley, home purchases are the primary vehicle to establishing economic stability and growth in the community.

The Valley’s population is currently near 4.35 million residents and has grown by 159 percent since 1980. By 2050, the Valley’s population will nearly double in size. We need to accommodate this projected growth and are not able to “rise” as a region if we sacrifice economic development through the restrictive and costly measures included in SB 743.

We do not support SB 743; however, we have several solutions to offer for your consideration:

1. Encourage and incentivize teleworking. The COVID-19 pandemic has provided a crash course in demonstrating that technology can be a solution to alleviating traffic congestion, improving air quality and quality of life.
2. Provide greater incentives for the purchase of electric vehicles, installation of charging stations along the state highway system, and retrofit homes to provide the proper charging outlets. This would provide for an immediate, cost-effective solution to improving air quality while enhancing mobility for residents.
3. Continue making investments into passenger rail service. This includes augmenting funding for grade separation projects to enhance safety from cross traffic, ensuring reliability of service, and reducing idling of vehicles at rail intersections. Continued investments to provide cost-effective and frequent service will help ease congestion and improve air quality.

4. Encourage innovation by transit systems to model service after transportation network companies through offering vanpool service, car sharing, and other alternatives rather than traditional bus routes.
5. Ship more containers and goods via freight rail to reduce truck traffic on major arterials such as Interstate 5, and Highways 99 and 145. This would greatly enhance safety, slow down road degradation, and alleviate congestion.
6. Provide greater incentives for businesses to locate or expand operations in the San Joaquin Valley. This would reduce greenhouse gas (GHG) emissions, VMT, and is a greater return on investment than building expensive high-density housing in already densely populated, high-cost metropolitan areas.

Aside from SB 743, we strongly support the climate goals of the State of California and are deeply committed to improvements to passenger and freight rail systems, reductions in greenhouse gas emissions, reasonable reductions in vehicle miles travelled, improvements to walking, biking and other modes of transportation, and support transportation investments aligned with housing and economic development.

Achieving reductions in VMT amid rapid expansion and growth in our region continues to be a major policy discussion as we work to implement the goals of the Climate Investment Program. We will continue to welcome coordination and dialogue with the California Air Resources Board (CARB), Strategic Growth Council, Housing and Community Development, California Transportation Commission, Caltrans and other State partners to address this topic.

We respectfully request that SB 743 be administered for its original purpose, and not be implemented for projects on the state highway system. We welcome the opportunity to have a constructive conversation on our proposed solutions to truly address mutual goals of reducing GHG and enhancing mobility in our region, and throughout our great state.

Thank you for your consideration.

Sincerely,

Andrew J. Medellin  
Mayor