

APPENDIX F:
TRANSPORTATION DATA



Memorandum

To: Eva Kelly, City of Hollister

From: Michael Schmitt, AICP CTP, PTP, RSP₁
Mehul Champaneri

Re: DRAFT SB 743 Analysis
City of Hollister General Plan

Date: March 23, 2023

This memorandum documents SB 743 compliant analysis completed for the proposed General Plan update for the City of Hollister, CA. The General Plan Update effort is a comprehensive update to the Housing Element and related updates to the Land Use Element of the City of Hollister General Plan. With the passage of SB 743, Vehicle Miles Travelled (VMT) has become an important indicator for determining if new development will result in a “significant transportation impact” under the California Environmental Quality Act (CEQA). This memorandum summarizes the VMT analysis and resultant findings for the proposed General Plan Update.

Methodology and Assumptions

Based on the land use information provided, for the purposes of SB 743 analysis and the determination of transportation related significant impacts, the following land uses were analyzed:

- Residential
- Industrial
- Office
- Retail

For residential, Industrial and office, the Association of Monterey Bay Area Governments Regional Travel Demand Model (AMBAG TDM) was used as the principle tool to determine VMT. The AMBAG TDM contains a base year of 2015 and future year of 2040, both of which were used to determine the VMT impact of the proposed residential, industrial and office land uses. Retail land-uses typically redistribute shopping trips rather than generate new trips which is why retail was analyzed qualitatively.

The City of Hollister has adopted VMT impact thresholds and analysis guidelines that were used as the basis of the analysis contained herein.

Project Land Use Model Input Conversion

In order to evaluate the General Plan’s VMT, the zoning for the General Plan needed to be first turned into a AMBAG TDM compatible dataset. This dataset relied on land use assumptions developed by City of Hollister as part of the General Plan update.

While the AMBAG TDM uses dwelling units as its input, there is no differentiation between single-family and multi-family residential in terms of trip generation and distribution. However, the AMBAG TDM is a hybrid model as its processes follow the traditional four-step model (trip generation, trip distribution, mode choice, and trip assignment), but it also contains a population synthesis step based on socioeconomic data collected throughout the AMBAG region to produce individuals living in each household that contain their own trip making characteristics. Therefore, the population synthesis step

was completed for the proposed General Plan update to develop the population for the project. It should be noted that the AMBAG TDM provides the population synthesis process for changes to residential land uses in the future, but not for residential changes in land use for the base year. However, a process was developed to use the future population synthesis step to estimate base model changes. This methodology is described in detail in the Base Year Population Synthesis section of this memorandum.

The proposed General Plan land uses were distributed throughout the Traffic Analysis Zones (TAZs) that represent the Hollister Sphere of Influence (SOI) area based on the growth between the base year and future year for those TAZs. In order to maintain a conservative analysis and avoid negative growth, it was assumed that all land uses analyzed as a part of the General Plan update were in addition to land uses that currently exist rather than a reuse of existing buildings. Note that the growth between the base year and future year for the TAZs representing the Hollister SOI were assumed to be a part of the project and the change in land uses is much smaller between 2040 No Project and 2040 Plus Project compared to 2015 No Project and 2015 Plus Project as the 2040 MTP version of the AMBAG TDM was used to represent 2040 No Project Conditions. The land use totals for the proposed General Plan input into the model are summarized in **Exhibit 1** below.

Exhibit 1 – AMBAG TDM Land Use Inputs by Scenario

Scenario	Households	Office Employment	Industrial Employment	Retail Employment
2015 Existing (No Project)	10,386	4,238	1,942	2,400
2015 Plus Project	16,700	7,490	4,007	3,315
Delta (Project Land Use)	6,314	3,252	2,065	915
2040 MTP (No Project)	12,785	5,730	2,152	2,727
2040 Plus Project	16,984	7,490	4,007	3,315
Delta	4,199	1,760	1,855	588

Base Year Population Synthesis

As noted above, the AMBAG TDM is not designed to facilitate residential analysis changes to Base Year model, but for the purposes of this analysis its use was required for Existing Plus Project Conditions. To address this modeling limitation, factors were developed on a TAZ by TAZ basis that were then applied to the calculated VMT per Capita values for each TAZ using the 2040 model structure.

These factors were developed by running two separate base year model runs with identical land use inputs, but with one model run where the Population Synthesis as developed for the future model was utilized. The outputs of both model runs were then used to calculate VMT per Capita for each TAZ using the process outlined in the Analysis section of this memorandum. The factor for each TAZ was calculated by taking the inverse of the percent difference between the VMT per Capita for each model run on a TAZ by TAZ basis. For example, if the VMT per Capita was 12.0 without the Population Synthesis process being completed, but 12.4 when the Population Synthesis process was completed, the factor to get back to the original calculated VMT per Capita would be 96.67% ($12.4 - 12.0 = 0.4$, $0.4/12.0 = 0.033$, $1 - 0.033 = 0.9667$ or 96.67%). The calculated factors were applied to all TAZs in the model for the Existing Plus Project scenario prior to evaluating the transportation impact.

Analysis

The following sections detail the analysis completed:

Residential, Office and Industrial Land Uses

The VMT for the residential land uses was computed by combining the production VMT for all Home-Based trip purposes. VMT for non-residential land uses was computed from the attraction Home-Based Work VMT. The external VMT for residential land uses was determined by multiplying the calibrated external trip distance by TAZ determined using big data (Teralytics) by the total internal-external (I-X) Home-Based trips for that TAZ. The external VMT for non-residential land uses was determined by multiplying the calibrated external trip distance by TAZ determined previously by the total internal-external (I-X) Home-Based Work trips for that TAZ.

To determine the share of the non-residential VMT for the office and industrial land uses, the total number of trips attracted to each TAZ were calculated by multiplying the model's underlying trip generation rate for the Home-Based Work trip purpose by employment type. The office land use share of the total VMT was then calculated by dividing the number of trips generated from office employment by the total number of Home-Based Work Trips calculated using the trip generation rates. The VMT for the office land uses was calculated by multiplying the office land use share by the total Home-Based Work VMT (including External VMT). Similarly, the VMT for the industrial land uses was calculated by multiplying the industrial land use share by the total Home-Based Work VMT (including External VMT).

Residential VMT per Capita, and office/industrial VMT per Employee, for each TAZ were computed by dividing the residential and office/industrial VMT by TAZ by the total population or total office/industrial employees, respectively. A VMT per Capita and VMT per Employee weighted average was calculated for the TAZs comprising proposed General Plan based on population and employment, respectively.

Exhibit 2 summarizes the VMT per Capita and VMT per Employee for the proposed General Plan by scenario. As shown in **Exhibit 2**, for Existing conditions, the Citywide residential land uses have VMT per Capita above the City's threshold, and both office and industrial land uses have VMT per Employee below the City's threshold. For Existing Plus Project scenario, the proposed residential land use growth result in a VMT per Capita below the City's threshold, the proposed office land use growth result in a VMT per Employee below the City's threshold, and the proposed industrial land use growth result in a VMT per Employee above the City's threshold.

For the 2040 No Project and 2040 Plus Project scenarios, all the proposed land use growth exceed the City's thresholds except for the industrial land uses for the 2040 No Project scenario.

Exhibit 2 – Vehicle Miles Traveled (VMT) by Land Use and Scenario

Scenario	VMT/Capita (Residential)	VMT/ Employee (Office)	VMT/Employee (Industrial)
Calculated VMT per Capita or VMT per Employee by Scenario			
City Threshold	18.8	20.6	20.6
2019 Existing	20.7	19.8	19.8
2019 Existing Plus Project ¹	16.8	14.2	22.1
2040 MTP (No Project) ¹	24.6	20.1	22.6
2040 Plus Project ¹	22.7	20.7	28.7
Over Threshold?			
2019 Existing	Yes	No	No
2019 Plus Project	No	No	Yes
2040 MTP (No Project)	Yes	No	Yes
2040 Plus Project	Yes	Yes	Yes

Note: Calculated by using the weighted average of land use growth for each land use category.

Retail Land Uses

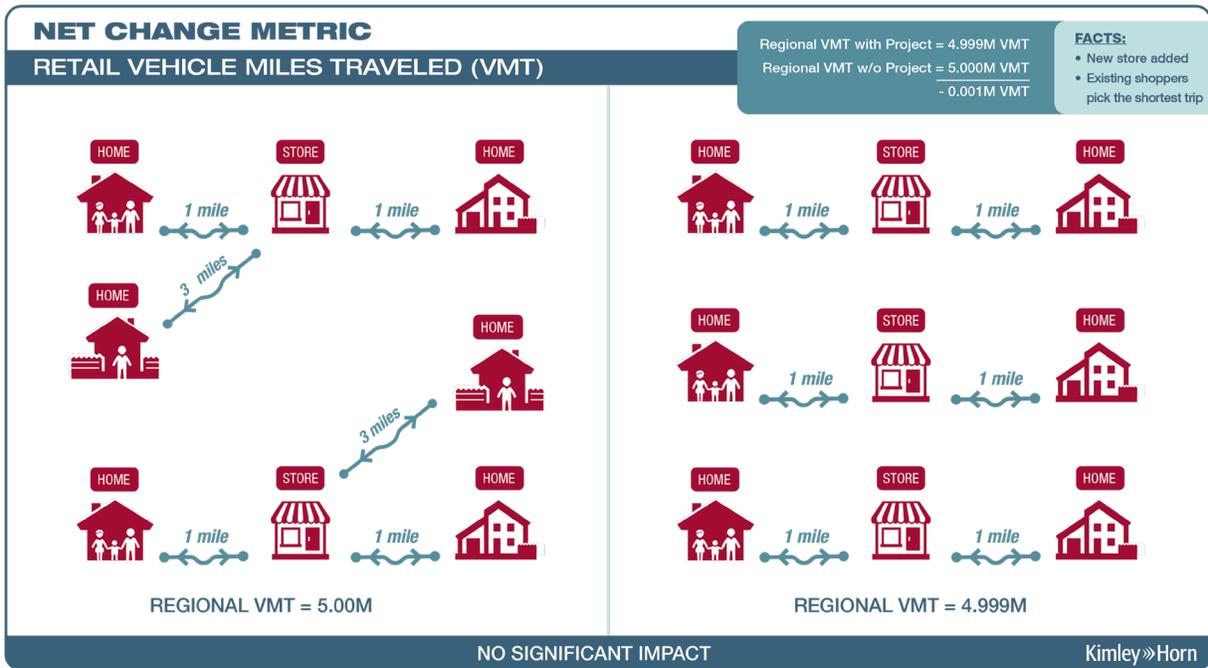
As described previously, the retail land uses were analyzed qualitatively. The City of Hollister SB 743 Implementation Guidelines¹ specifically addresses some of the key issues surrounding how a local serving retail store should be evaluated in terms of its VMT impact. As described, the threshold for significance is “a net increase.” This means that if a proposed retail use results in additional VMT, it would result in a finding of significance.

Local serving retail primarily serves pre-existing needs (i.e. they do not generate new trips because they meet existing demand). Because of this, local-serving retail uses can be presumed to reduce trip lengths when a new store is proposed. Essentially, the assumption is that someone will travel to a newly constructed local serving store because of its proximity, rather than the proposed retail store fulfilling an unmet need (i.e. the person had an existing need that was met by the retail located further away and is now traveling to the new retail use because it is closer to the person’s origin location). This results in a trip on the roadway network becoming shorter, rather than a new trip being added to the roadway network, which would result in an impact to the overall transportation system. Conversely, residential and office land uses often drive new trips given that they introduce new participants to the transportation system. The City of Hollister SB 743 Implementation Guidelines provides for a general threshold of 50,000 square-feet as an indicator as to whether a retail store can be considered local serving or not. Based on the understanding that no single store within the estimated 875,000 square feet of retail uses will exceed 50,000 square feet, it is presumed that the proposed retail uses will not result in a net increase in VMT and would therefore not result in a significant impact.

Exhibit 3 has been provided to visually demonstrate the basis of this finding. Note that the numbers provided are for illustrative purposes as the analysis technique used is qualitative.

¹ City of Hollister SB 743 Implementation Guidelines, March 2023

Exhibit 3 – Illustration of the VMT Reducing Effect of Local Serving Retail



If regional serving retail is ultimately determined to be part of the project, those sites will need to be evaluated on their own merits as detailed project descriptions become available in the future.

VMT Reducing Design Principles, Policies, and Improvements

Given the lack of project level specifics that are available at the General Plan level, it is not possible to fully account for the effect of project specific design principles, policies, and improvements that will reduce VMT as part of this analysis. However, these approaches are still important considerations in evaluating the results of this VMT analysis and as appropriate they should be accounted for in subsequent VMT evaluations of specific projects as they are proposed within the City of Hollister.

VMT Reducing Design Principles

Design elements of the project that are VMT reducing, may reduce project VMT. The following are considerations consistent with the Hollister General Plan update:

- Compactness of design/Transit Oriented Development,
- A range of housing options,
- Mixed uses,
- Walkable community, and
- A variety of transportation options, and
- The preservation of open space.

Transit Oriented Development

Potential transit improvements are planned along the SR 25 corridor with bus along the existing rail corridor, and commuter rail to accommodate future development projects. These transit services would help alleviate congestion along SR 25 by providing more efficient and reliable transit services to commuters.

Mixed-Use Specific Principles

Mixed-Use combines two or more types of land uses into a building or set of buildings that are physically or functionally integrated. Mixed-Use, as planned for the General Plan, seeks to promote smart growth principles including:

- Diversity and appropriate mix of uses
- Pedestrian Orientation
- Community Focal Point
- Excellence in Design
- Coordination of development strategies
- Sustainability

The plan includes guidance for specific use types (commercial, residential, etc.) and based on location (downtown, mixed-use/commercial areas, etc.) that contribute to favorable conditions for active transportation through denser development. As the AMBAG Model does not include specific functionality to reflect the impact of many of the design principles outlined and the exact nature, location, and timing of these VMT reducing considerations is not known, the additional impact of these design features will need to be evaluated at the individual project-level rather than at the programmatic level. However, it should be noted that these considerations will have a material impact on development project analysis although it will vary on the location and design features selected.

VMT Reducing Policies and Improvements

This section discusses the establishment of a framework for a programmatic approach to policies and improvements that respond to the need for feasible Vehicle Miles Travelled (VMT) mitigation within the City of Hollister. Identified VMT mitigation opportunities include:

1. Transportation Demand Measures
2. Implementation of AMBAG's SB 375 Measures
3. Transit and Multimodal Improvements
4. Establishment of a VMT Bank/Exchange

Transportation Demand Measures

VMT mitigation often relies heavily on Transportation Demand Measures (TDMs). These measures generally represent two basic approaches: policy and infrastructure. The California Air Pollution Control Officers Association (CAPCOA) guide for Quantifying Greenhouse Gas Mitigation Measures is one of the primary bases for estimating mitigation effects in California. Although this resource is invaluable, care needs to be taken in terms of its application given that some TDMs have limited sample sizes and many of the measures are based on experiences in highly urbanized areas. Depending on the selected TDMs, it can be challenging from the standpoint of mitigation monitoring and are often unpopular with project applicants because they may need to be managed and paid for in perpetuity. These limitations have led jurisdictions to increasingly consider programmatic approaches to VMT mitigation.

As part of the Hollister's development of its SB 743 Guidance, a review of TDM measures was undertaken for the purpose of identifying TDMs that are both appropriate to the City and setting reasonable maximums for their resultant VMT reductions. Future project level analyses should rely on the City's current TDM options and associated maximum reductions as provided for in its SB 743 Guidance. Although, many of the TDM options may be appropriate to individual project implementation, many of the identified TDMs may be better suited to a programmatic approach where they are implemented

across the entire City of Hollister SOI. The following TDMs have been identified as the potential basis for a programmatic approach to TDM implementation within the City of Hollister:

- Reduce Parking Supply
- Transit Stops
- Mandatory Travel Behavior Change Program
- Promotions & Marketing
- Emergency Ride Home (ERH) Program
- Bike Share
- Implement on-street and on-site Pedestrian facilities
- Implement/Improve on-street and on-site Bicycle facilities
- Traffic Calming Improvements

Implementation of the City of Hollister SB 375 Measures

Pursuant to Senate Bill (SB) 375, AMBAG prepared a Sustainable Communities Strategy (SCS) that was incorporated into the Regional Transportation Plan (RTP). SB 375 requires that the RTP include an SCS, which outlines growth strategies that better integrate land use and transportation planning and help reduce the state's greenhouse gas emissions from cars and light trucks. There are two mutually important facets to the SB 375 legislation: reducing VMT and encouraging more compact, complete, and efficient communities for the future. As identified in the AMBAG RTP/SCS, the region is projected to meet or exceed these targets, and significantly lower greenhouse gas emissions by 2040. The AMBAG RTP/SCS has also identified several strategies to achieve these goals. The strategies focus on integrating land use planning and transportation improvements. Some of the key strategies identified in the RTP/SCS that would apply to the Hollister General Plan are mentioned below:

Land Use Strategies

- Improve job-housing balance in the region
- Focus new growth around transit

Transportation Strategies

- Improve transit network
- Promote and improve active transportation
- Promote shared mobility

Multimodal Improvements

In terms of transit, the AMBAG model currently includes the Gilroy-Hollister Commuter Rail. It is reasonable to assume that at a minimum of a 4% mitigation effect would result if a supporting transit infrastructure, as are being planned along this route. It is likely the potential impact of transit may be higher given that SR 25 is not planned to be improved in the future and growth will continue to occur as shown in the AMBAG model.

Participation in a Predefined VMT Mitigation Bank

Programmatic approaches that rely on collectively funding larger infrastructure projects appear to hold great promise for VMT mitigation as they allow a project to obtain an amount of mitigation commensurate with their impact, include only a single payment without the complexity of ongoing management, and do not require on-going mitigation monitoring. Programmatic approaches can also provide a public benefit in terms of funding transportation improvements that would not otherwise be constructed, resulting in improvements to congestion, GHG emissions, increased transportation choices, and additional opportunities for active transportation.

Under a Predefined VMT Mitigation Program framework, a fixed set of VMT reducing projects are grouped together and their associated VMT reductions are monetized in the form of credits. These credits are then purchased for the purposes of mitigating VMT in excess of determined impact thresholds. The underlying projects may be either regionally or locally beneficial to the area in which the project is located. However, once the total amount of VMT available has been purchased by development projects, the program must be replenished with new projects and the cost per VMT is recalculated producing a new Predefined VMT Mitigation Program.

The City of Hollister has started developing its own Predefined VMT Mitigation Program that will provide meaningful opportunities for development projects that might otherwise not have the ability to mitigate their impact. The Predefined VMT Mitigation Program will fund the construction of facilities that support active transportation (cycling and walking) and transit ridership to mitigate VMT impacts from new development. The set of facilities included in the program are fixed and include both bike trails, bike lanes, and mobility hubs. The projects included in this program focus on providing alternative mobility options throughout the City of Hollister to reduce vehicle trips. The program relies on a nexus evaluation to support the basis of the Predefined VMT Mitigation Program's development and monetization of the projects that are identified as part of this program. Once operational, a set amount of VMT is able to be purchased on a per VMT basis by development projects seeking to mitigate their VMT impact. Once the total amount of VMT has been purchased, or once the City determines the need to add additional projects to the program, the program will be replenished with new projects and the cost per VMT will be recalculated producing a new version of the City's Predefined VMT Mitigation Program.

VMT Mitigation

As discussed previously, given the lack of specifics that are available for this General Plan level plan, it is not possible to fully account for the effect of specific design principles, policies and improvements that will reduce VMT as part of this analysis. Although many of the VMT reducing design principles, policies, and improvements that are described in the prior section may ultimately mitigate and/or potentially reduce the VMT impacts outlined in this evaluation, necessary details to assure implementation and appropriately evaluate their effect are not yet available.

It is important to note that the approaches to VMT reduction described in the prior section are supportive of existing City policies and guidelines. However, the VMT reducing approaches cited in the prior section will require further planning and development as well as committed funding sources including those from participants in the development community (many of which may not be identified yet as large areas of land may be further subdivided into specific projects and developments). As such, it is reasonable to assume that the findings of this analysis reflect a worst-case scenario given the guidance within the City of Hollister SB 743 Guidance.

Conclusion

Based on the results of this analysis, the following findings are made:

- The residential land uses do not exceed the threshold of significance for the Existing Plus Project scenario but do exceed the threshold for the 2040 Plus Project scenario. **The project is determined to have a significant transportation impact for residential development.**
- The office land uses do not exceed the threshold for the Existing Plus Project scenario but do exceed the threshold for the 2040 Plus Project scenario. **As a result, the project is determined for office land uses to have a significant transportation impact.**

- The industrial land uses exceed the threshold for both the Existing Plus Project and 2040 Plus Project scenarios. **As a result, the project is determined for industrial land uses to have a significant transportation impact.**
- The office and industrial land uses for the 2040 Plus Project scenario **have greater impact compared to the 2040 No Project scenario.** The residential land uses for the 2040 Plus Project scenario **have lesser impact compared to the 2040 No Project scenario.**
- The proposed project's retail stores are assumed to be smaller than 50,000 square feet per store, per the City of Hollister SB 743 Implementation Guidelines, **they are presumed to not have a significant impact.**

Note that specific development projects may perform better or worse than the overall impacts determined by this programmatic level analysis. However, in the aggregate it is likely that this VMT analysis represents a worst-case scenario given that it does not fully represent the effect of planned VMT reducing design principles or the effect that targeted mitigation measures may ultimately have on development projects.

DRAFT SB 743 Implementation Guidelines

City of Hollister

March 14, 2023

1.0 Background

In 2013, SB 743 was signed into law by California Governor Jerry Brown with a goal of reducing Greenhouse Gas (GHG) emissions, promoting the development of infill land use projects and multimodal transportation networks, and to promote a diversity of land uses within developments. One significant outcome resulting from this statute is the removal of automobile delay and congestion, commonly known as level of service (LOS), as a basis for determining significant transportation impacts under the California Environmental Quality Act (CEQA).

The Governor's Office of Planning and Research (OPR) selected Vehicle Miles Traveled (VMT) as the principal measure to replace LOS for determining significant transportation impacts. VMT is a measure of total vehicular travel that accounts for the number of vehicle trips and the length of those trips. OPR selected VMT, in part, because jurisdictions are already familiar with this metric. VMT is already used in CEQA to study other potential impacts such as GHG, air quality, and energy impacts and is used in planning for regional Sustainable Communities Strategies (SCS).

VMT also allows for an analysis of a project's impact throughout the jurisdiction rather than only in the vicinity of the proposed project allowing for a better understanding of the full extent of a project's transportation-related impact. It should be noted that SB 743 does not disallow the City of Hollister to use LOS for other planning purposes outside the scope of CEQA.

2.0 Use of This Document

Note that although this document includes footnotes and references to other documents, this document has been developed to serve both as the basis of SB 743 implementation and VMT analysis within the City. Accordingly, the document does not require the reader to reference the footnotes unless they are interested in understanding the technical basis of elements of this document's preparation. Analysis guidelines are separated into two distinct approaches, those that relate to land use projects (Section 3.0) and those that relate to transportation improvement projects (Section 4.0). If a project includes both land use and transportation improvement elements, analysis would be required to be carried out for both.

3.0 Land Use Projects

An approach to identify transportation impacts under CEQA for land-use that closely align with guidance provided within the OPR *Technical Advisory on Evaluating Transportation Impacts in CEQA* (2018). While the OPR guidance related to SB 743 has been a helpful introduction to using VMT to evaluate projects, it does not provide a complete solution. There are a multitude of complex practical issues that are not addressed by the OPR guidance. OPR Guidance does not specifically address land uses beyond residential, office and retail, and it provides latitude on some elements of implementation. In response

to this, a specific series of analysis steps for SB 743 project evaluation have been developed to clarify requirements and reduce potential confusion. Exhibit 1 provides a graphical representation of this analysis process.

Exhibit 1 – Process for CEQA VMT Analysis for Land Use Projects



Step 1: Determine Land Use Type

During the initial step, land use projects will need to be evaluated for the following considerations:

- *Land use type.* For the purposes of analysis, the Institute of Transportation Engineers (ITE) land use codes serve as the basis of land use definitions. Although it is recognized that VMT evaluation tools and methodologies are typically not fully sensitive to some of the distinctions between some ITE categories, the use of ITE land use codes is useful for maintaining consistency across analyses, determining trip generation for other planning level tools, and maintaining a common understanding of trip making characteristics amongst transportation professionals. The ITE land use code is also used as an input into the VMT Analysis Tool.
- *Mixed Use.* If there are multiple distinct land uses within the project (residential, office, retail, etc.), they will be required to be analyzed separately unless they are determined to be insignificant to the total VMT. Mixed use projects are permitted to account for internal capture which depending on the methodology may require a distinct approach not covered in this documentation. This analysis would be the responsibility of the applicant and will need to be prepared by a qualified transportation professional and approved by the City of Hollister.
- *Redevelopment projects.* As described under the Non-Significant Screening Criteria section, redevelopment projects which have lower VMT than the existing on-site use can be determined to have a non-significant impact.

Step 2: Screen for Non-Significant Transportation Impact

The purpose of this step is to determine if a presumption of a non-significant transportation impact can be made on the facts of the project. The guidance in this section is primarily intended to avoid unnecessary analysis and findings that would be inconsistent with the intent of SB 743. A detailed CEQA transportation analysis will not be required for land use elements of a project that meet the screening criteria shown in Exhibit 2. If a project has multiple distinct uses (residential, office, retail, etc.), only those elements of the project that are not screened out would require further evaluation to determine transportation significance for CEQA purposes.

Exhibit 2 – Screening Criteria

Screening Criteria	OPR Guidance
<p>CEQA Exempt Projects</p> <p>Projects that are exempt from CEQA are not required to undertake the analysis included in these guidelines.</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Projects determined to be exempt from CEQA as determined by the City of Hollister. <p>Unless:</p> <ul style="list-style-type: none"> ▪ It is determined by the City that a project is not determined to be exempt from CEQA by the City of Hollister.
<p>Small Projects¹</p> <p>This applies to projects with low trip generation per existing CEQA exemptions. Note that this includes any land use type (residential, office, etc.)</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Project generation is less than 110 trips per day per the ITE Manual or other acceptable source determined by City of Hollister <p>Unless:</p> <ul style="list-style-type: none"> ▪ It is inconsistent with the Sustainable Communities Strategy as determined by the City of Hollister
<p>Projects Near High Quality Transit²</p> <p>High quality transit provides a viable option for many to replace automobile trips with transit trips resulting in an overall reduction in VMT.</p> <p>Note that, as of the preparation of these guidelines, there were no locations within the City of Hollister for which this screening criteria applies.</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Within a ½ mile of an existing or planned major transit stop³; and ▪ Maintains a service interval frequency of 15 minutes or less during the morning and afternoon peak commute periods <p>Unless:</p> <ul style="list-style-type: none"> ▪ Has a Floor Area Ratio (FAR) of less than 0.75; or ▪ Includes more parking, excluding on-street parking, for use by residents, customers, or employees of the project than required by the City of Hollister zoning code; or ▪ It is inconsistent with the Sustainable Communities Strategy as determined by the City of Hollister; or ▪ Replaces affordable residential units with a smaller number of moderate- or high-income residential units

¹ 2018 OPR Guidance, page 12

² 2018 OPR Guidance, page 13

³ Pub. Resources Code, § 21064.3 (“major transit stop’ means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.”)

Exhibit 2 – Screening Criteria

Screening Criteria	OPR Guidance
<p>Local-Serving Retail⁴</p> <p>The introduction of new Local-serving retail has been determined to reduce VMT by shortening trips that will occur out of necessity (groceries, other essentials, etc.).</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ No single store on-site exceeds 50,000 square feet; and ▪ Project is local-serving as determined by the City of Hollister <p>Unless:</p> <ul style="list-style-type: none"> ▪ The nature of the service is regionally focused as determined by the City of Hollister
<p>Affordable Housing⁵</p> <p>Lower-income residents make fewer trips on average, resulting in lower VMT overall.</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Affordable housing is 100-percent of the residential units within a project
<p>Local Essential Service⁶</p> <p>As with Local-Serving Retail, the introduction of new Local Essential Services shortens non-discretionary trips by putting those goods and services closer to residents, resulting in an overall reduction in VMT.</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Building is less than 50,000 square feet; and ▪ Land Use is: <ul style="list-style-type: none"> • Day care center; or • Public K-12 School; or • Police or Fire facility; or • Medical/Dental office building; or • Government offices (in-person services such as post office, library, and utilities) <p>Unless:</p> <ul style="list-style-type: none"> ▪ The nature of the service is regionally focused as determined by the City of Hollister

⁴ 2018 OPR Guidance, page 16

⁵ 2018 OPR Guidance, page 14. As described, “Evidence supports a presumption of less than significant impact for a 100 percent affordable residential development (or the residential component of a mixed-use development) in infill locations. Lead agencies may develop their own presumption of less than significant impact for residential projects (or residential portions of mixed-use projects) containing a particular amount of affordable housing, based on local circumstances and evidence.”

⁶ Based on assumption that, like local-serving retail, the addition of necessary local in-person services will reduce VMT given that trips to these locations will be made irrespective of distance given their non-discretionary nature.

Exhibit 2 – Screening Criteria

Screening Criteria	OPR Guidance
<p>Map-Based Screening⁷</p> <p>This method eliminates the need for complex analyses, by allowing existing VMT data to serve as a basis for the screening smaller developments. Note that screening is limited to residential and office projects.</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Area of development is under threshold as shown on screening map as allowed by City of Hollister <p>Unless:</p> <ul style="list-style-type: none"> ▪ Represent significant growth as to substantially change regional travel patterns as determined by the City of Hollister
<p>Redevelopment Projects⁸</p> <p>Projects with lower VMT than existing on-site uses, can under limited circumstances, be presumed to have a non-significant impact. In the event this screening does not apply, projects should be analyzed as though there is no existing uses on site (project analysis cannot take credit for existing VMT).</p>	<p>Presumed to cause a less-than-significant impact:</p> <ul style="list-style-type: none"> ▪ Project replaces an existing VMT-generating land use and does not result in a net overall increase in VMT <p>Unless:</p> <ul style="list-style-type: none"> ▪ The project replaces an existing VMT-generating land use and results in a net overall increase in VMT

⁷ It is anticipated that the Maps on which this criteria rely will be updated every 2-years

⁸ 2018 OPR Guidance, Page 18

Step 3: Determine Significance Threshold and Methodology

The purpose of this step is to determine which threshold of significance to apply to a land use project. Significance thresholds are based on land use type, broadly categorized as efficiency and net change metrics. Efficiency metrics include VMT/Capita and Work VMT/employee⁹. “Net Change” refers to the net change in regional VMT. “Net Change” is used for elements that include a significant customer base, such as commercial uses, although it can extend to a variety of uses that have similar characteristics.

VMT Thresholds of Significance

OPR suggests a 15-percent VMT reduction relative to existing local or regional average VMT levels. The thresholds of significance recommended by OPR, as they relate to the City of Hollister, are summarized in Exhibit 3.

Exhibit 3 – VMT Thresholds of Significance

Land Use	VMT Threshold	Basis
Residential	18.8 VMT/capita ¹⁰	15% below existing ¹¹ county-wide average VMT per capita
Office	20.6 Work VMT/Employee ¹²	15% below existing ¹¹ county-wide average Work VMT per employee
Other Employment-Based VMT	20.6 Work VMT/Employee ¹²	15% below existing ¹¹ county-wide average Work VMT per employee all other employment-based land uses
Regional Retail and Other Customer-Based VMT	Net regional change	Using the county as the basis or other area determined appropriate by the City of Hollister

Note that the inclusion of “Other Employment-Based VMT” refers to all other employment-generating service providers. As shown, this group follows the same approach for impact determinations as the office category with Home-Based Work VMT per employee as the basis for the threshold. “Regional Retail and Other Customer-Based VMT” refers to retail land uses, or other land uses for which the primary source of VMT is not the employees but rather its customers (i.e., retail, medical office buildings, sports complexes, movie theaters, etc.).

Based on improvements to methods and data, as well as other modeling modifications, there will be periodic updates to the numerical threshold values shown. However, the relative approach for calculating the threshold values are expected to remain the same. It is anticipated that a reevaluation of

⁹ Work VMT specifically applies to commute trips as represented by the attractions in the Replica Big Data Model. Refer to Appendix A for additional information

¹⁰ Residential VMT specifically applies to all Home-Based trips residential trips as represented in the Replica Big Data Model. Refer to Appendix A for additional information.

¹¹ Existing is represented as the base year of the Replica Big Data model, which is 2019.

¹² Work VMT specifically applies to commute trips as represented in the Replica Big Data Model. Refer to Appendix A for additional information.

the thresholds will occur every two (2) years. The values in the current VMT Analysis Tool, discussed in the next section, will supersede the information provided in the table above.

VMT Analysis Tool

The City of Hollister has developed an online VMT Analysis Tool for use in SB 743 land use project analysis, which can be accessed at: <https://tredlite.kimley-horn.com/sites/hollister/>. The primary use for this tool is to provide a streamlined approach to analyzing potential projects for VMT impacts. The source data of the tool was developed from the Replica big data model using the methodology described in Appendix A. As with any VMT Analysis Tool, there are distinct limitations in terms of its application including limits on the type and size of development that the tool can be applied to. Note that it is anticipated that the tool will continue to evolve in response to data or methodological changes and as such, it is important that the most current version of the tool be utilized. Broadly, the VMT Analysis Tool provides the following information:

- Institute of Transportation Engineers (ITE) Trip Generation
- VMT Threshold Analysis
- Greenhouse Gas (GHG) Estimation
- Transportation Demand Management (TDM) Evaluation

The VMT Analysis Tool would not be appropriate to use for projects other than residential and employment-based land uses. Other project types that the VMT Analysis Tool would not be appropriate to use include very large projects (projects generating more than 2,500 daily trips), project that can potentially shift regional travel patterns, or projects with land use types that are not present within the project vicinity considered for the VMT analysis. For projects in which the VMT Analysis Tool would be inappropriate to use, the travel demand model maintained by the Association of Monterey Bay Area governments (AMBAG) would be required for the VMT analysis based on a preliminary review of the project. The VMT Analysis methodology using the AMBAG travel demand model is summarized in Appendix B.

Step 4: Scope of Analysis Agreement

Prior to undertaking VMT analysis, a scope compliant with the City of Hollister's requirements must be prepared by the project applicant and submitted to the City for approval. Given the potential complexities of some uses, particularly those not identified as residential, retail, or office, an agreement regarding the threshold and methodology is important to avoid analyses that are not compliant with the City of Hollister's requirements.

Step 5: Analysis and Mitigation

During this step, the analysis agreed to under Step 4 should be completed. Relevant documentation providing enough detail that assumptions are clearly understandable, and methods that can be replicated should be provided along with the results of the VMT analysis for the proposed project.

If a significant transportation impact is identified, feasible mitigation measures to avoid or reduce the impact must be identified. CEQA requires that mitigation measures be included in the project's

environmental assessment. OPR provides a list of potential measures to reduce VMT but gives the lead agency (the City of Hollister in this case) full discretion in the selection of mitigation measures.

The type and size of the project will determine the most appropriate mitigation strategies for VMT impacts. For large projects such as general plans or specific plans, VMT mitigations should concentrate on the project's density and land use mix, site design, regional policies, and availability of transit, bicycle, and pedestrian facilities. For smaller projects such as an individual development project, VMT mitigations will typically require the preparation of a transportation demand management (TDM) program. A TDM program is a combination of strategies to reduce VMT. The program is created by an applicant for their land use project based on a list of strategies agreed to with the City of Hollister.

The City of Hollister has developed a list of potential TDM strategies appropriate for their jurisdiction and what magnitude of VMT reduction could be achieved. The selection process was guided by the California Air Pollution Control Officers Association (CAPCOA) recommendations found in the 2010 publication *Quantifying Greenhouse Gas Mitigation Measures*. The area context of the City of Hollister also influenced the type of TDM strategies that were selected. CAPCOA has found strategies with the largest VMT reduction in rural areas include vanpools, telecommute or alternative work schedules, and master planned communities with design and land-use diversity to encourage intra-community travel. Based on empirical evidence, CAPCOA found the cross-category maximum for all transportation-related mitigation measures is 15% for suburban settings.

Appendix C summarizes available TDM strategies along with the maximum VMT reduction, applicable land use application, and complementary strategies. The City of Hollister's VMT Analysis Tool includes the TDMs summarized in Appendix C.

If all feasible mitigation measures are not sufficient to fully mitigate the impact, then the VMT impact will be classified as significant and unavoidable. The City of Hollister may still approve the project, as allowed by CEQA, by making a Finding of Overriding Consideration. Before making such a finding and approving the project, the City of Hollister will require a cumulative VMT analysis for the project, as described below.

Step 6: Cumulative Analysis

Typically, the comparison of Existing and Existing Plus Project results in an evaluation of the worst-case scenario whether it be under an efficiency metric (per capita/per employee) or a net change metric (such as for retail or a medical office building). This is a result of the fact that future year analyses (Cumulative analyses) include additional developments which typically have the effect of shortening trips as the proximity of complimentary land uses improve with increasing densities (i.e. houses are closer to stores, houses are closer to offices, etc.). As such, it can be presumed that a project will not have a significant impact under the cumulative condition if it is not determined to have one under the baseline condition unless there are known circumstances that might alter this outcome. Accordingly, the project analysis is not required for the Cumulative conditions unless there is a finding of a significant impact under the Existing Plus Project conditions.

If necessary due to a finding of a significant impact during the baseline analysis, during this step a Cumulative analysis will be completed. This analysis should consider the effect of any mitigation measures determined under Step 5.

If the Cumulative conditions analysis also results in a finding of a significant impact, this impact shall be considered to be significant and unavoidable and must therefore be called out in the project's EIR and subject to the Finding of Overriding Consideration described in Step 5.

Step 7: Mitigation Monitoring

As required by CEQA, the City of Hollister will require ongoing mitigation monitoring and reporting. The specifics of this will be developed on a project-by-project basis.

4.0 Transportation Projects

Depending on the specific nature of a transportation project; it can alter trip patterns, trip lengths, and even trip generation. Research has determined that capacity-enhancing projects can and often do increase VMT. This phenomenon is commonly referred to as "induced demand". The result of these increases in VMT can often both be measured in congestion increases and negative impacts to air quality including GHG emissions. While methods are generally less developed for the analysis of induced demand compared to other areas of transportation analysis, there is still the need to quantify and understand its impact to the transportation system considering the requirements of SB 743.

Similarly, to land use projects, the approach to transportation project analysis closely align with the 2018 OPR Guidance. In terms of analysis, the analyst should first determine whether the transportation project has been prescreened and determined to have a non-significant impact as described in the following section.

Screen for Non-Significant Transportation Impact

At the discretion of the City of Hollister, the following improvements may be presumed to result in a non-significant impact¹³:

1. Rehabilitation, maintenance, replacement, safety, and repair projects designed to improve the condition of existing transportation assets (e.g., highways, roadways, bridges, or culverts)
2. Transportation Management System field elements such as cameras, message signs, detection, signals, tunnels, transit systems, and assets that serve bicycle and pedestrian facilities and that do not add additional motor vehicle capacity
3. Roadside safety devices or hardware installation such as median barriers and guardrails
4. Roadway shoulder enhancements to provide "breakdown space," dedicated space for use only by transit vehicles, to provide bicycle access, or to otherwise improve safety, but which will not be used as automobile vehicle travel lanes
5. Addition of an auxiliary lane of less than one mile in length designed to improve roadway safety
6. Installation, removal, or reconfiguration of traffic lanes that are not for through traffic, such as left, right, and U-turn pockets, two-way left turn lanes, or emergency breakdown lanes that are not utilized as through lanes

¹³ 2018 OPR Guidance, Page 20

7. Addition of roadway capacity on local or collector streets, based on the City's functional classification, provided the project also substantially improves conditions for pedestrians, cyclists, and, if applicable, transit
8. Conversion of existing general-purpose lanes (including ramps) to managed lanes or transit lanes, or changing lane management in a manner that would not substantially increase vehicle travel
9. Addition of a new lane that is permanently restricted to use only by transit vehicles
10. Reduction in number of through lanes
11. Grade separation to separate vehicles from rail, transit, pedestrians or bicycles, or to replace a lane in order to separate preferential vehicles (e.g., HOV, HOT, or trucks) from general vehicles
12. Installation, removal, or reconfiguration of traffic control devices, including Transit Signal Priority (TSP) features
13. Installation of traffic metering systems, detection systems, cameras, changeable message signs and other electronics designed to optimize vehicle, bicycle, or pedestrian flow
14. Timing of signals to optimize vehicle, bicycle, or pedestrian flow
15. Installation of roundabouts or traffic circles
16. Installation or reconfiguration of traffic calming devices
17. Adoption of or increase in tolls
18. Addition of tolled lanes, where tolls are sufficient to mitigate VMT increase
19. Initiation of new transit service
20. Conversion of streets from one-way to two-way operation with no net increase in number of traffic lanes
21. Removal or relocation of off-street or on-street parking spaces
22. Adoption or modification of on-street parking or loading restrictions (including meters, time limits, accessible spaces, and preferential/reserved parking permit programs)
23. Addition of traffic wayfinding signage
24. Rehabilitation and maintenance projects that do not add motor vehicle capacity
25. Addition of new or enhanced bike or pedestrian facilities on existing streets/highways or within existing public rights-of-way
26. Addition of Class I bike paths, trails, multi-use paths, or other off-road facilities that serve non-motorized travel
27. Installation of publicly available alternative fuel/charging infrastructure

28. Addition of passing lanes, truck climbing lanes, or truck brake-check lanes in rural areas that do not increase overall vehicle capacity along the corridor

Significance Threshold and Methodology

For projects that increase roadway capacity and are not identified under the Non-Significant Screening Criteria in the prior section, the significance criterion should be changed in regional VMT. A finding of a significant impact would be determined if a transportation project results in a net increase in regional VMT. As a practical matter, any roadway with more than a quarter mile in new roadway travel lane (through lanes) should be evaluated for induced demand. A competent transportation professional will be required to provide a basis for this evaluation that considers available data, roadway context, and tools. Depending on the location and nature of the roadway this may be best accomplished using the AMBAG Travel Demand Model.

5.0 Feasible Mitigation

This section discusses how CEQA, and the State of California treat cases in which a project has a significant and unavoidable transportation impact and therefore is required to provide feasible mitigation. Based on research conducted by CAPCOA, the maximum reduction that VMT can be feasibly mitigated using exclusively site-specific solutions, is 65-percent. However, this mitigation total relies on a project being located in a dense urban area with a robust transit system and a large mix of land uses in the general area. Site-specific solutions most often rely on Transportation Demand Measures (TDMs), although project land use modifications can also be utilized to mitigate impacts. Based on the land use context and the resulting number of applicable TDMs in the City of Hollister, the combined implementation of all TDMs within the City was capped at 20-percent. Therefore, projects that exceed the VMT significant impact threshold by more than 20-percent must rely on non-site-specific approaches if full mitigation is to be achieved. CEQA guidelines require that a project provide feasible mitigation to reduce a project's VMT impact even if it cannot fully mitigate that impact.

Due to the requirement of providing feasible mitigation, if a project exceeds the City's VMT threshold by more than 20-percent, it will require a combination of site-specific measures and non-site-specific measures. One of the primary non-site-specific measures that can be used to mitigate a project's impact is a VMT Mitigation Bank, which is discussed in more detail in the following section. There are three options that a project could take to mitigate its VMT impact. The options include using only site-specific mitigation measures to mitigate up to 20-percent of its VMT, using only the VMT mitigation bank to mitigate VMT up to the 20-percent cap, or using combination of site-specific measures and the VMT Mitigation Bank, such as using TDM measures to reduce VMT by 10-percent and then using the VMT mitigation bank to reduce VMT by the remaining 10-percent.

Importantly, VMT mitigation is required only to be achieved up to a maximum of 20-percent (the City's established definition of maximum feasible mitigation). If this does not fully mitigate the project's impacts, a finding of overriding considerations will be required. However, the project may go beyond the 20-percent cap using the VMT mitigation banking fees, as described in the next section, if that is determined by the applicant to be feasible.

6.0 VMT Mitigation Banking Fee Program

This section discusses a programmatic approach to respond to the need for feasible VMT mitigation programs. In suburban areas such as the City of Hollister, VMT analysis can result in a finding of a transportation impact, particularly in undeveloped areas, due to a lack of land use density and diversity. In addition, with fewer transportation options compared to more urbanized areas, mitigating impacts in suburban areas can prove to be more difficult than under LOS. For many jurisdictions, SB 743 is resulting in a reversal in the results of transportation significant findings as compared to how things were under an LOS-based analysis.

As a practical matter, SB 743 for many jurisdictions is also a more restrictive approach to identifying transportation impacts both because of the basis for setting an impact threshold and limited mitigation opportunities. In terms of the threshold of significance, the Governor's Office of Planning and Research's (OPR) recommends that projects consisting of residential or general employment category land uses effectively need to be located in an area where they are 15-percent less than the average VMT for similar uses. Effectively this means that new projects must be located in an area where they are more efficient than 65-percent of similar uses from a VMT standpoint. Given that most development in Hollister and elsewhere in California is still not planned as infill, this is resulting in an increasing need for feasible mitigation solutions.

To date, VMT mitigation has relied heavily on TDMs. These measures generally represent two basic approaches: infrastructure and policy. The California Air Pollution Control Officers Association (CAPCOA) draft Handbook for Analyzing Greenhouse Gas Emission Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity, released in December 2021, is one of the primary bases for estimating mitigation effects in California. Although this resource is invaluable, many of the mitigation options provided have questionable efficacy in suburban and rural contexts. TDMs are also challenging from the standpoint of mitigation monitoring and are often unpopular with project applicants because they may need to be managed and paid for in perpetuity. These limitations have led jurisdictions, including the City of Hollister, to increasingly consider programmatic approaches to VMT mitigation. Programmatic approaches that rely on collectively funding larger projects allow a project to obtain an amount of mitigation commensurate with their impact, include only a single payment without the complexity of ongoing management, and do not require on-going mitigation monitoring. Programmatic approaches can also provide a public benefit in terms of funding transportation improvements that would not otherwise be constructed, resulting in improvements to congestion, GHG emissions, increased transportation choices, and additional opportunities for active transportation.

The following section focuses on one programmatic approach to funding VMT mitigation, VMT Mitigation Banking. Under a VMT Mitigation Banking framework, multiple VMT reducing projects are grouped together and their associated VMT reductions are monetized in the form of credits. These credits are then purchased for the purposes of mitigating VMT in excess of determined impact thresholds. The underlying projects may be either regionally or locally beneficial to the area in which the project is located.

VMT Banking Projects

Exhibit 4 below provides detailed information on the projects included in the City of Hollister's VMT Mitigation Bank that development projects can contribute funds towards (in the form of credits) to

mitigate their VMT impacts. The primary focus of these projects is to construct or improve active transportation facilities that will replace vehicular trips, thereby reducing VMT. In addition, the mobility hub projects are included to link the City's existing transit system with other modes of travel to provide last-mile options for transit riders, thereby increasing transit ridership and reducing vehicular trips.

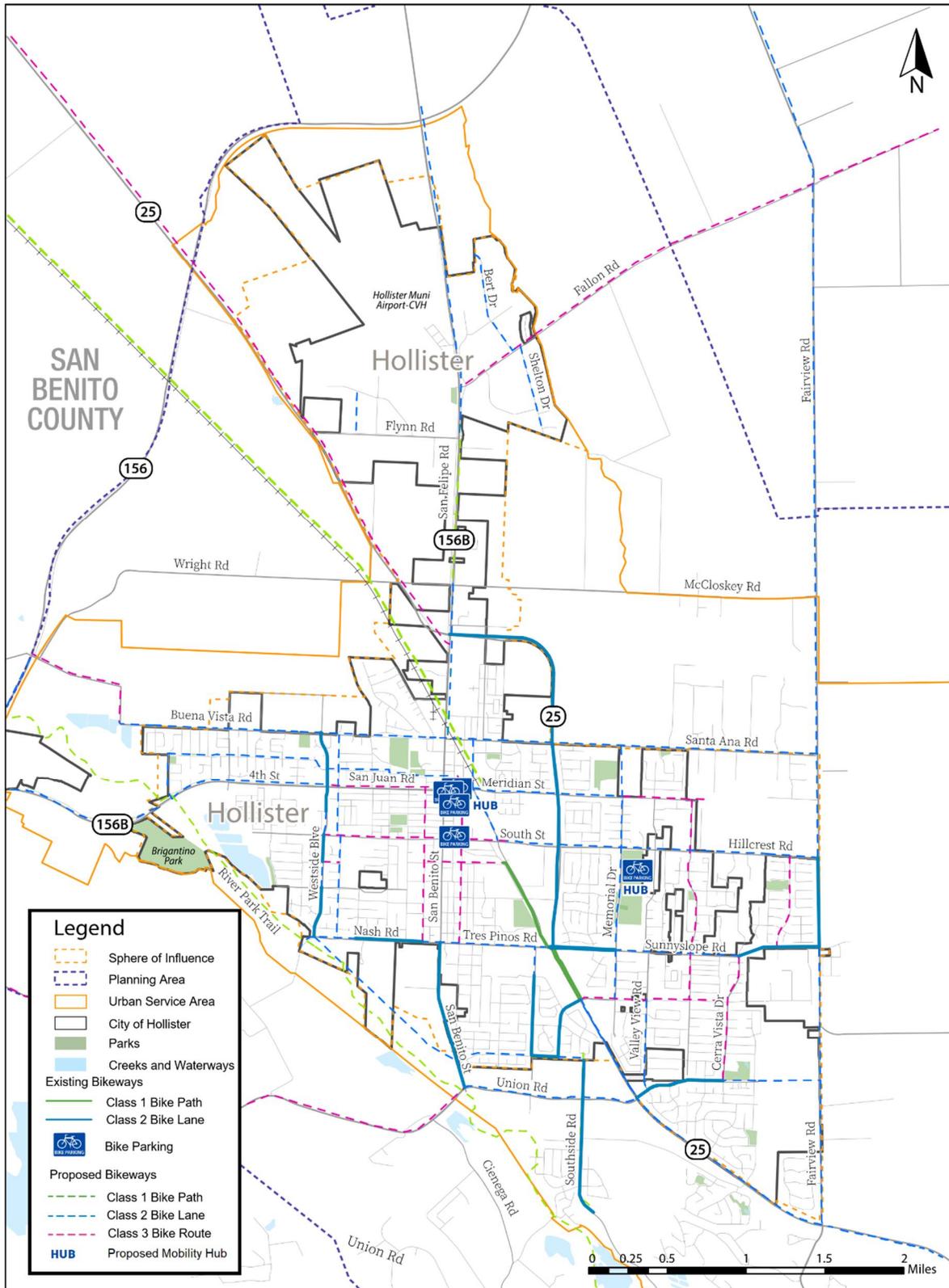
As shown in Exhibit 4, the City of Hollister has approximately \$41,853,492 in VMT Banking Fees that projects can contribute funds to. Exhibit 5 displays the location of each of the projects.

Exhibit 4 – VMT Banking Projects

Project#	Type	Name of Project	Description	Length (mi)	Cost Estimate (\$)
1	Class I Path	Southside Rd	Southside Rd to Pinnacle Community School	0.9 mi	\$1,837,097
2	Class I Path	San Benito River Trail	West of SR-156 to South of Hospital Rd	5.76 mi	\$11,825,420
3	Class I Path	Union Pacific Rail	South of Hudner Ln to 3th St	4.24 mi	\$8,698,657
4	Class II Bike Lane	San Felipe Rd	Wright Rd to Flynn Rd	0.85 mi	\$1,743,109
5	Class II Bike Lane	North St/Santa Ana Rd	Union Pacific Rail to Fairview Rd	2.16 mi	\$140,089
6	Class II Bike Lane	San Felipe Rd	Flynn Rd to North of SR-156	1.99 mi	\$129,295
7	Class II Bike Lane	Bert Dr/Shelton Dr	North of Apollo Wy to North of Hamilton Ct	1.12 mi	\$72,937
8	Class II Bike Lane	Planned Roadway	Flynn Rd to South of Airway Dr	0.24 mi	\$15,743
9	Class II Bike Lane	Fairview Rd	Acquistapace Rd/Airline Hwy	7.26 mi	\$470,965
10	Class II Bike Lane	SR-25/Airline Hwy	Sunset Dr to North of Best Rd	2.73 mi	\$177,144
11	Class II Bike Lane	Union Rd	Cerra Vista Dr to Fairview Rd	0.55 mi	\$35,809
12	Class II Bike Lane	Memorial Dr	Santa Ana Rd to Sunset Dr	1.44 mi	\$93,663
13	Class II Bike Lane	Hillcrest Rd	McCray St to Fairview Rd	1.83 mi	\$118,966
14	Class II Bike Lane	Meridian St	McCray St to Memorial Dr	0.86 mi	\$55,554
15	Class II Bike Lane	McCray St	Meridian St to Hillcrest Rd	0.33 mi	\$21,414
16	Class II Bike Lane	Sunnyslope Rd	Memorial Dr to Cerra Vista Dr	0.7 mi	\$45,351
17	Class II Bike Lane	Valley View Rd	Sunset Dr to Union Rd	0.52 mi	\$34,063
18	Class II Bike Lane	Union Rd	San Benito St to Airline Hwy	0.99 mi	\$64,194
19	Class II Bike Lane	Southside Rd	Sunset Dr to Carousel Dr	0.15 mi	\$9,425
20	Class II Bike Lane	Ladd Ln	Nash Rd/Hillock Dr	0.16 mi	\$10,651
21	Class II Bike Lane	Nash Rd	North of San Benito River to Airline Hwy	1.45 mi	\$94,435
22	Class II Bike Lane	Westside Blvd Extension	Nash Rd to Ladd Ln	1.6 mi	\$103,705
23	Class II Bike Lane	Line St	South St to Nash Rd	0.58 mi	\$37,414
24	Class II Bike Lane	Westside Blvd	Steinbeck Dr to Apricot Ln	0.14 mi	\$8,963
25	Class II Bike Lane	Westside Blvd	Jan Ave to South St	0.15 mi	\$9,538
26	Class II Bike Lane	Line St	Buena Vista Rd to South St	0.59 mi	\$38,026
27	Class II Bike Lane	San Juan Rd	San Juan Hollister Rd to Westside Blvd	1.8 mi	\$117,017
28	Class II Bike Lane	Bridgevale Rd	Graf Rd to Bridge Rd	0.25 mi	\$16,539

Project#	Type	Name of Project	Description	Length (mi)	Cost Estimate (\$)
29	Class II Bike Lane	Central Ave	Bridgevale Rd to San Benito St	1.64 mi	\$106,623
30	Class II Bike Lane	Buena Vista Rd/North St	Buena Vista Rd to Union Pacific Rail	1.81 mi	\$117,614
31	Class II Bike Lane	McCray St	Santa Ana Rd to Meridian St	0.28 mi	\$18,226
32	Class II Bike Lane	San Felipe Rd	Santa Ana Rd to Wright Rd	0.88 mi	\$56,936
33	Class II Bike Lane	SR-156	Buena Vista Rd to San Benito River	0.37 mi	\$24,112
34	Class III Bike Route	Fallon Rd	San Felipe Rd to Dooling Rd	2.98 mi	\$86,365
35	Class III Bike Route	SR-25	South of Frazier Lake Rd to San Felipe Road	4.37 mi	\$126,679
36	Class III Bike Route	Union Rd	West of Riverside Rd to San Benito St	1.42 mi	\$41,054
37	Class III Bike Route	Beverly Dr	Hillcrest Rd to Sunnyslope Rd	0.54 mi	\$15,556
38	Class III Bike Route	Cerra Vista Dr	Sunnyslope Rd to Union Rd	0.74 mi	\$21,455
39	Class III Bike Route	Sunset Dr	Airline Hwy to Cerra Vista Dr	0.83 mi	\$24,066
40	Class III Bike Route	Clearview Dr	Meridian St to Sunset Dr	1.16 mi	\$33,613
41	Class III Bike Route	Meridian St	Memorial Dr to Clearview Dr	0.42 mi	\$12,112
42	Class III Bike Route	South St	Westside Blvd to McCray St	1.04 mi	\$30,175
43	Class III Bike Route	Monterey St	4th St to Nash Rd	0.88 mi	\$25,552
44	Class III Bike Route	Sally St	3rd St to Nash Rd	0.92 mi	\$26,727
45	Class III Bike Route	4th St	Westside Blvd to McCray St	0.82 mi	\$23,872
46	Class III Bike Route	Steinbeck Dr	Westside Blvd to Line St	0.1 mi	\$2,789
47	Class III Bike Route	Hawkins St	Monterey St to Prospect Ave	0.45 mi	\$12,896
48	Class III Bike Route	Buena Vista Rd	SR-156 to Buena Vista Rd	0.76 mi	\$21,884
49	Transit	Mini Mobility Hub	Hilcrest Rd and Memorial Dr		\$3,000,000
50	Transit	Mobility Hub	4 th St and San Benito St		\$12,000,000
				Total	\$41,853,492

Exhibit 5 – Location of City of Hollister VMT Banking Projects



Maximum VMT Banking Fee Calculation and Nexus

The following steps were completed to monetize the identified VMT Mitigation Banking projects:

1. Identify mitigation projects;
2. Determine the cost of construction the mitigation projects;
3. Determine the total VMT that can be mitigated by the projects; and
4. Calculate the maximum mitigation fee per VMT by dividing total cost of the mitigation projects by the total VMT mitigated by the projects to determine the fee per unit of VMT.

The approach outlined above results in a calculation of the maximum fee per VMT mitigated based on the list of projects identified in Exhibit 4. Consistent with the guidance provided by the City of Hollister, the full cost of funding these improvements is used to calculate the maximum fee per VMT the City could apply to all new residential and non-residential development that result in VMT impacts proposed within the City between 2023 and 2033.

As part of this analysis, a nexus evaluation was undertaken to support the basis of the VMT Mitigation Bank's development. Consistent with California's Mitigation Fee Act, to develop a fee program a local agency must identify the purpose of the fee (Section 66001(a)(1)). The City of Hollister's policy is that new development shall contribute to the VMT Banking Fee if needed for mitigation of their VMT impacts. In addition, the cost of constructing the improvements to help mitigate VMT citywide will be implemented through the VMT Mitigation Banking fee program administered by the City of Hollister. The fee advances a legitimate public interest by enabling the City to fund improvements to transportation infrastructure required to accommodate a new development's VMT impacts.

As noted above, the City of Hollister's VMT Mitigation Banking Fee Program will fund the construction of facilities that support active transportation (cycling and walking) and transit ridership to mitigate VMT impacts from new development. These facilities include both bike trails, bike lanes, and mobility hubs.

The active transportation projects included in the nexus analysis focused on providing alternative mobility routes to driving throughout the City of Hollister. However, due to limitations with AMBAG's travel demand model, these projects' benefit could not be sufficiently analyzed using the travel demand model. Accordingly, the projects were analyzed using off-model techniques. Bicycle improvements were evaluated based on NCHRP 552 Guidelines for Analysis of Investments in Bicycle Facilities. This approach relies on spatial analysis techniques to determine the likely number of new active transportation users resulting from the introduction of a new bicycle improvement. Exhibit 6 summarizes the estimated existing ridership and forecasted future induced riders based on the construction of the projects.

Exhibit 6 – Future Project Induced Daily Bicycle Demand

Demand	Existing (2023)	Future Induced Riders (2033)
Adult Bicyclist	6,463	8,825
Child Bicyclist	1,817	2,876
Total Facility Users	8,280	11,701

Note: Demand on individual facilities is counted as separate trips.

As shown in Exhibit 6, the projects included in the City of Hollister's VMT Mitigation Bank could add a total of 11,701 bicycle trips per day throughout the City by 2033. These projects would also provide an alternative to congested vehicular travel as well as significant health and recreational value. While not related to VMT mitigation, it should be also be noted that construction of the bicycle improvements will result in additional safety benefits by reducing the potential for vehicle-to-bicycle conflicts.

The mobility hub projects included in this analysis focused on increasing transit ridership with the proposed passenger rail service between Hollister and Gilroy using the existing UPRR rail corridor, along with enhancements to the existing Park-and-Ride locations at Hollister Veteran's Park and at 4th Street and San Benito Street. Similar to the bicycle projects, the mobility hub's benefit could not be sufficiently analyzed using AMBAG's travel demand model, so the projects were analyzed using off-model techniques. These techniques consisted of using big data existing travel patterns for commute purposes and estimated additional ridership once the mobility hubs are constructed. The ridership forecasts for the mobility hubs were based on the Council of San Benito Government's (SBCOG) Highway 25 Congestion Relief Corridor study conducted in June 2020¹⁴. Mobility hub VMT reductions were computed by multiplying the additional future daily ridership forecasts and average two-way commute trip distance.

Total VMT Reduction

The total VMT reduction per project for the bicycle projects was calculated by multiplying the average bicycle trip length taken by new riders induced by the construction of a project by the total number of new riders and the project's lifecycle. For the purposes of this analysis, the average trip length used was four miles, based on industry standard assumptions. In addition, the project lifecycle was assumed to be ten years to cover the analysis period between 2023 and 2033. The number of new bicycle riders for each project was multiplied by the average trip length to obtain the total daily VMT reduction for each project. Each project's VMT reduction was added together to determine the total VMT reduction for all bicycle projects, which for the projects listed in Exhibit 4 total 46,805.

The benefits of the mobility hub projects were determined using Replica big data work locations for residents of the City of Hollister and determining an average commute distance for future ridership. This distance was multiplied by the estimated daily ridership at the future Mobility Hubs in the City to determine the overall VMT reduction. The average trip distance was determined to be 17.2 miles and the total estimated transit ridership was 520 daily riders. Accounting for a two-way trip, the mobility hub project results in a total daily VMT reduction of 17,879. When this is added to the total daily VMT reduction for the bicycle and transit projects, the overall daily VMT reduction for all projects is 64,685.

Maximum Banking Fee Estimation

To determine the maximum overall fee, the total project cost of \$41,853,492 was divided by the total VMT reduction of 64,685 daily VMT. This calculation resulted in a maximum cost per VMT reduction of \$647.04. Note that this fee does not include any non-fee funding sources (grants, etc.). The addition of any funding sources for these projects could significantly reduce the cost of per VMT reduction cost.

¹⁴ Analysis of Public Transit Network Expansion Projects for Congestion Relief of the Highway 25 Corridor, June 2020.

Appendix A

VMT Analysis Methodology Using Replica Big Data Model

The use of big data platforms has increased in the recent years with the advancement of technology and available resources. The Replica big data platform, which was used to develop the City of Hollister's VMT Analysis Tool, provides detailed trip and demographic data that can be used to understand existing travel patterns.

Replica data representing Fall 2019 conditions were used to establish the baseline conditions in the City. The dataset includes the entirety of the states of California and Nevada, and therefore, all trips that originate in, or are destined for, areas outside of San Benito County, but have one leg of their trip within the City of Hollister were accounted for in the VMT analysis to establish efficiency thresholds.

Replica Model Zone Structure

The smallest geographic area that Replica trip origin-destination data is available for is at the Census block group level. Therefore, the VMT analysis to determine the City's efficiency thresholds (VMT per capita and VMT per employee) were computed at the block group level as well.

Census Data

The population and employment data associated with each block group was derived from data provided by the U.S. Census. The VMT analysis was completed using data from the U.S. Census for population and the total number of employees located in each block group, and trip characteristic data (length, origin-destination location, and trip purpose) from Replica.

Replica Trip Purpose and Travel Mode

The Replica platform provides trip origin and destination data, along with trip distance for various trip purpose and travel mode. These trip purposes and mode are listed below.

Trip Purpose:

- Home
- Work
- Shop
- Eat
- Errands
- Lodging (hotels etc.)
- Pass-through traffic
- Recreation
- Airport
- School
- Freight
- Other

Trip Mode:

- Private Auto (Drive Alone)
- Auto Passenger (Carpool)
- Biking
- Walking
- Freight
- Public Transit
- Taxi/TNC
- Other

Trip productions and attractions for every block group, both within the City of Hollister and within San Benito County, were compiled from the larger Replica dataset using the home-based and work-based trip purposes for private auto (driver) and carpool (passenger) trips.

Replica Person Trips, Vehicle Occupancy, Trip Distance

Average vehicle trip lengths were computed for each block group using the total number of private auto person trips, carpool person trips and trip distances that are available from the Replica big data for the year 2019 Fall conditions. Average vehicle occupancy rates were computed by dividing the total auto person trips (private auto + carpool) by carpool person trips for each block group.

Replica VMT by Land Use Type

Once the average trip lengths and occupancy rates were calculated, and population and employment totals were determined, the total residential and work VMT for each block group was computed. The total residential VMT was computed by summing the production VMT for the Home-Based trip purposes at the Census block group level. VMT for non-residential land uses was computed by summing the attraction VMT by work trip purpose at the Census block group level.

VMT per capita and VMT per employee for each Census block group was computed by dividing the total residential VMT by the total population and the total work VMT by the total employment, respectively. The average VMT per capita and VMT per employee efficiency metrics were determined at the City, County and AMBAG Region levels to determine the City of Hollister's thresholds.

Appendix B

VMT Analysis Methodology Using the AMBAG Travel Demand Model

When a VMT analysis is required to use the travel demand model based on the requirements described in the Section 3 of this document, the project's VMT efficiency metrics (VMT per capita or VMT per employee) should be calculated for baseline conditions. The travel demand model and VMT analysis methodology used for the baseline and project conditions should be consistent using the latest version of AMBAG's travel demand model. The appropriate VMT efficiency metric for the Traffic Analysis Zones (TAZ) representing the project should be calculated with and without the proposed project, and the percent change for the respective VMT efficiency metric should also be calculated. Once the percent change in the respective VMT efficiency metric is determined, it should then be applied to the project's VMT efficiency metric that was determined using the VMT Analysis Tool. Once a factored VMT efficiency metric is determined, it can then be compared to the City's thresholds provided in Section 3 to make an impact determination.

The methodology to calculate a project's VMT efficiency metric based on the project type (residential or non-residential) using AMBAG's travel demand model is described below. For projects that cannot be evaluated using either the VMT Analysis Tool or AMBAG's travel demand model due to the project type or other unique circumstances, an evaluation methodology should be established in coordination with the City on a case-by-case basis.

The Association of Monterey Bay Area governments (AMBAG) maintains the regional travel demand model as a part of the Metropolitan Transportation Plan/Sustainable Communities Strategy program (MTP/SCS) that includes San Benito County and the City of Hollister. The latest available version of the AMBAG model should be used in consultation with City staff and the most recent Base Year and Future Year model scenarios should be used for the baseline and cumulative conditions in the City.

AMBAG Model Zone Structure

VMT is computed at Traffic Analysis Zone (TAZ) level to determine the appropriate project VMT efficiency metric, as well as to allow for comparisons among different areas throughout the County.

AMBAG Socio-Economic Data

Socioeconomic data (SED) and other model inputs are associated with each TAZ. Out of several different variables in the model's SED, the VMT analysis mainly focuses on population, the number of households, the number of students, and types of employment that are used in the trip generation component. VMT computation is focused on the number of households in each TAZ and the number of jobs by employment category to determine rest of the trips. Employment categories used in the model are listed below.

Employment by Industry type:

1. Agricultural
2. Manufacturing and Mining
3. Construction and Transportation Waste
4. Finance and Real Estate

5. Services (White Collar, non-government jobs)
6. Public Administration (Government jobs)
7. Wholesale
8. Retail
9. Education
10. Healthcare

AMBAG Trip Generation

The AMBAG model runs a series of complex steps to estimate daily trip productions and attractions by various trip purposes for each TAZ. The trip purposes are listed below.

Model Trip Purpose:

1. Home-Based Work (HBW)
2. Home-Based Shopping (HBShop)
3. Home-Based School, K-12 (HBSchool)
4. Home-Based University (HBUniv)
5. Home-Based Other (HBOther)
6. Non-Home-Based Work (NHBW)
7. Non-Home-Based Other (NHBO)
8. Visitor Shop
9. Visitor Tourist

The production model uses several variables such as number of workers, household income, age, household size and car availability depending on the trip purpose. Trip productions for every TAZ in the model are compiled separately by each trip purpose. The attraction model uses employment categories for the HW trip purpose, whereas it uses the employment categories and number of students (K-12 and University) for all non-HW trip purposes. The attraction model estimates trip attractions to each TAZ by regression coefficients that vary by employment type. Trip attractions for every TAZ are compiled by each purpose and by each employment type based on these regression coefficients.

AMBAG Person Trips, Vehicle Occupancy, Trip Distance

Trip productions and attractions are compiled after the mode choice step, and only auto trips are used for the analysis. After the vehicle trip productions and attractions are computed for each trip purpose, trip lengths are applied for each zone pair from the skim matrices in the model to compute the production and attraction VMT by purpose.

AMBAG VMT by Land Use Type

The residential VMT is computed by combining the production VMT for all the Home-Based trip purposes. VMT for non-residential land uses is computed from the attraction VMT by appropriate trip purposes and regression coefficients used in the attraction model.

Residential or non-residential VMT for the project TAZ is computed and average VMT per Capita or Employee efficiency metrics are calculated for the with and without project conditions to determine percent change in VMT.

Appendix C

City of Hollister					
TDM Measure #	Transportation Demand Management Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
Total Maximum Reduction 20%					
Land Use Strategies – Group Max Reduction 20%					
T-1	Increase Residential Density	This measure accounts for the VMT reduction achieved by a project that is designed with a higher density of dwelling units (du) compared to the average residential density in the U.S.	Infrastructure	20%	Residential
T-2	Increase Job Density	This measure accounts for the VMT reduction achieved by a project that is designed with a higher density of jobs compared to the average job density in the U.S.	Infrastructure	20%	Commute
T-3	Provide Transit-Oriented Development	This measure would reduce project VMT in the study area relative to the same project sited in a non-transit-oriented development (TOD) location. TOD refers to projects built in compact, walkable areas that have easy access to public transit, ideally in a location with a mix of uses, including housing, retail offices, and community facilities.	Infrastructure	20%	All
T-4	Integrate Affordable housing	This measure requires below market rate (BMR) housing. BMR housing provides greater opportunity for lower income families to live closer to job centers and achieve a jobs/housing match near transit.	Infrastructure	20%	All
T-17	Improve Street Connectivity	This measure accounts for the VMT reduction achieved by a project that is designed with a higher density of vehicle intersections compared to the average intersection density in the U.S.	Infrastructure	20%	All

City of Hollister					
TDM Measure #	Transportation Demand Management Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
Trip Reduction Programs – Group Max Reduction 20%					
T-5	Implement Commute Trip Reduction Program (Voluntary)	This measure will implement a voluntary commute trip reduction (CTR) program with employers. CTR programs discourage single occupancy vehicle trips and encourage alternative modes of transportation such as carpooling, taking transit, walking, and biking, thereby reducing VMT and GHG emissions.	Incentive	4.0%	All
T-6	Implement Commute Trip Reduction Program – (Mandatory) Includes T-7,T-8,T-9,T-10,T-11	This measure will implement a mandatory CTR program with employers. CTR programs discourage single-occupancy vehicle trips and encourage alternative modes of transportation such as carpooling, taking transit, walking, and biking, thereby reducing VMT and GHG emissions.	Incentive	20.0%	All
T-7	Implement Commute Trip Reduction Marketing	This measure will implement a marketing strategy to promote the project site employer's CTR program. Information sharing and marketing promote and educate employees about their travel choices to the employment location beyond driving such as carpooling, taking transit, walking, and biking, thereby reducing VMT and GHG emissions.	Incentive	4.0%	All
T-8	Ridesharing Program	This measure will implement a ridesharing program and establish a permanent transportation management association with funding requirements for employers.	Incentive	4.0%	Commute

City of Hollister					
TDM Measure #	Transportation Demand Management Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
T-9	Subsidized Transit Program	This measure will provide subsidized or discounted, or free transit passes for employees and/or residents. Reducing the out-of-pocket cost for choosing transit improves the competitiveness of transit against driving, increasing the total number of transit trips and decreasing vehicle trips.	Incentive	1.2%	All
T-10	Provide End-of-Trip Bicycle Facilities	This measure will install and maintain end-of-trip facilities for employee use. End-of-trip facilities include bike parking, bike lockers, showers, and personal lockers.	Infrastructure	0.75%	All
T-11	Employer-Sponsored Vanpool	This measure will implement an employer-sponsored vanpool service. Vanpooling is a flexible form of public transportation that provides groups of 5 to 15 people with a cost-effective and convenient rideshare option for commuting.	Incentive / Infrastructure	20.0%	Commute
T-12	Price Workplace Parking (Includes T-13)	This measure will price onsite parking at workplaces. Because free employee parking is a common benefit, charging employees to park onsite increases the cost of choosing to drive to work.	Incentive	20.0%	Commute
T-13	Employee Parking Cash-Out	This measure will require project employers to offer employee parking cash-out. Cash-out is when employers provide employees with a choice of forgoing their current subsidized/free parking for a cash payment equivalent to or greater than the cost of the parking space.	Incentive	12.0%	Commute

City of Hollister					
TDM Measure #	Transportation Demand Management Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
T-23	Community-Based Travel Planning	This measure will target residences in the plan/community with community-based travel planning (CBTP). CBTP is a residential based approach to outreach that provides households with customized information, incentives, and support to encourage the use of transportation alternatives in place of single occupancy vehicles.	Incentive	2.3%	All
Parking or Road Pricing / Management - Group Max Reduction: 20%					
T-14	Provide Electric Vehicle Charging Infrastructure	Install onsite electric vehicle chargers in an amount beyond what is required by the 2019 California Green Building Standards (CALGreen) at buildings with designated parking areas (e.g., commercial, educational, retail, multi-family).	Infrastructure	11.9%	All
T-15	Limit Residential Parking Supply	This measure will reduce the total parking supply available at a residential project or site. Limiting the amount of parking available creates scarcity and adds additional time and inconvenience to trips made by private auto, thus disincentivizing driving as a mode of travel.	Incentive	13.7%	All
T-16	Unbundle Residential Parking Costs	This measure will unbundle, or separate, a residential project's parking costs from property costs, requiring those who wish to purchase parking spaces to do so at an additional cost.	Incentive	15.7%	Residential
T-24	Implement Market Price Public Parking (On-Street)	This measure will price all on-street parking in a given community, with a focus on parking near central business districts, employment centers, and retail centers. Increasing the cost of parking increases the total cost of driving to a location, incentivizing shifts to other modes and thus decreasing total VMT to and from the priced areas.	Infrastructure	20.0%	All

City of Hollister					
TDM Measure #	Transportation Demand Management Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
Neighborhood Design - Group Max Reduction: 6.4%					
T-18	Pedestrian Network Improvement	This measure will increase the sidewalk coverage to improve pedestrian access. Providing sidewalks and an enhanced pedestrian network encourages people to walk instead of drive.	Infrastructure	5.0%	All
T-19-A	Construct or Improve Bike Facility	This measure will construct or improve a single bicycle lane facility (only Class I, II, or IV) that connects to a larger existing bikeway network. Providing bicycle infrastructure helps to improve biking conditions within an area.	Infrastructure	0.6%	All
T-19-B	Construct or Improve Bike Boulevard	Construct or improve a single bicycle boulevard that connects to a larger existing bikeway network. Bicycle boulevards are a designation within Class III Bikeway that create safe, low-stress connections for people biking and walking on streets.	Infrastructure	0.2%	All
T-20	Expand Bikeway Network	This measure will increase the length of a city or community bikeway network. A bicycle network is an interconnected system of bike lanes, bike paths, bike routes, and cycle tracks.	Infrastructure	0.5%	All
T-21-A	Conventional Carshare Program	This measure will increase carshare access in the user's community by deploying conventional carshare vehicles. Carsharing offers people convenient access to a vehicle for personal or commuting purposes.	Incentive/ Infrastructure	0.15%	All
T-21-B	Electric Carshare Program	This measure will increase carshare access in the user's community by deploying electric carshare vehicles. Carsharing offers people convenient access to a vehicle for personal or commuting purposes.	Incentive/ Infrastructure	0.18%	All

City of Hollister					
TDM Measure #	Transportation Demand Management Measure	Description	TDM Type	Max VMT Reduction	VMT Reduction Type
T-22-A	Non-Electric Bikeshare Program	This measure will establish a bikeshare program. Bikeshare programs provide users with on-demand access to bikes for short-term rentals.	Incentive/ Infrastructure	0.02%	All
T-22-B	Electric Bikeshare Program	This measure will establish an electric bikeshare program. Electric bikeshare programs provide users with on-demand access to electric pedal assist bikes for short-term rentals.	Incentive/ Infrastructure	0.06%	All
T-22-C	Scotershare Program	This measure will establish a scootershare program. Scootershare programs provide users with on-demand access to electric scooters for short-term rentals.	Incentive/ Infrastructure	0.07%	All
Transit Strategies - Group Max Reduction: 7.5%					
T-25	Expand Transit Network	This measure will expand the local transit network by either adding or modifying existing transit service or extending the operation hours to enhance the service near the project site.	Infrastructure	4.6%	All
T-26	Increase Transit Frequency	This measure will increase transit frequency on one or more transit lines serving the plan/community. Increased transit frequency reduces waiting and overall travel times, which improves the user experience and increases the attractiveness of transit service.	Infrastructure	6.4%	All
T-27	Transit-Supportive Roadway Treatments	This measure will implement transit-supportive treatments on the transit routes serving the plan/community. Transit-supportive treatments incorporate a mix of roadway infrastructure improvements and/or traffic signal modifications to improve transit travel times and reliability.	Infrastructure	0.6%	All
T-29	Reduce Transit Fares	This measure will reduce transit fares on the transit lines serving the plan/community.	Incentive	1.2%	All