When Projects Must Address Significant Transportation Impacts

A small share of housing projects (generally those not located near jobs, transit, and services) may need to address significant transportation impacts under CEQA when they undergo discretionary review.

If these projects generate more driving than typical for the region (measured as vehicle miles traveled or VMT), they may be required to mitigate that increased demand on the transportation system. The determination of impacts and identification of possible mitigation happens during the environmental review process.

Importantly, projects only need to reduce VMT to a less than significant level, not to zero. That means they do not need to mitigate all impacts—they only need to mitigate enough to bring impacts below the level that the lead agency considers to be significant. Additionally, projects only need to mitigate impacts when it is feasible to do so. Lead agencies determine what is feasible based on many factors, including economic, environmental, legal, social, and technological factors.

How Projects Can Mitigate Significant Transportation Impacts

Projects have many **flexible mitigation options**, including:

On-Site Changes

- Adjust design, density, or land use types to reduce miles traveled. For example, projects that include both homes and neighborhood services like grocery stores will likely require less driving.

Off-Site Measures

- Transit improvements or access
- Improved infrastructure for non-motorized travel
- Investments in location-efficient affordable housing (e.g., supporting long-term housing in areas near jobs, transit, and services), which lowers region-wide driving

These off-site measures can be carried out by participating in state, regional, or local mitigation programs (e.g., mitigation banks or exchanges)

The agency considering whether to approve the project will determine whether any of the above options are feasible, and if so, which may be best for the project. If no mitigation is feasible, the

agency can still approve the project as long as it explains on the record why the project's benefits outweigh its environmental impacts.

How This Fits Within CEQA

VMT mitigation follows the same framework as other environmental impacts:

- **Feasible** →reasonable and achievable
- **Proportional** →based on project impact
- **Flexible** →can combine on-site and off-site solutions

When Projects Must Address VMT

For housing projects that are subject to mitigating significant transportation impacts under CEQA.

THE PROCESS

1. PROJECT TRIGGERS VMT IMPACT

Project is subject to discretionary CEQA review and may result in a significant transportation impact.

2. REDUCE VMT TO BELOW SIGNIFICANCE THRESHOLD

Reduce VMT to below the applicable threshold (typically tied to regional averages).

Not required to eliminate all impacts—only mitigate where feasible.

3. CHOOSE MITIGATION APPROACH

Projects have flexible options to reduce VMT impacts.

ON-SITE CHANGES

Adjust design, density, or land use to reduce VMT.

OFF-SITE MEASURES

Use TDM, improve transit access, or participate in mitigation programs *(state, regional, or local banks or exchanges).*

4. IMPACTS REDUCED TO LESS-THAN-SIGNIFICANT LEVEL

Project complies with CEQA through feasible, proportional, and flexible mitigation.

THE VAST MAJORITY OF PLANNED AND PERMITTED HOUSING DOES NOT MEET THIS STEP

75–85%

of housing likely avoids VMT mitigation based on location and statutory exemptions.

ACTUAL SHARE LIKELY HIGHER

Ministerial and by-right approval pathways remove many additional projects from CEQA entirely, meaning no VMT mitigation is required.

As a result, the actual share of housing not subject to VMT mitigation is likely even higher.

THIS IS CONSISTENT WITH CEQA

VMT mitigation follows the same approach as other environmental impacts (e.g., wetlands, noise, air quality).

- **FEASIBLE** — Reasonable and achievable
- **PROPORTIONAL** — Based on project impact
- **FLEXIBLE** — Can be a mix of on-site and off-site solutions