

# VMT Mitigation Lexicon

## General Concepts

Concept	Definition
<b>Credit</b>	One Vehicle Mile of Travel (VMT) reduction credit. Typically measured for a typical weekday. Credit accounting must include applicable day(s) and duration.
<b>Credit Generator</b>	An entity (commonly a public agency) that implements a project or program that reduces VMT. The reductions are the source of VMT reduction credits.
<b>Credit-Generating Item</b>	A specific project or program that has produced or may produce VMT reduction.
<b>Credit User</b>	Project applicant or public agency that requires VMT reduction credits for California Environmental Quality Act (CEQA) mitigation.
<b>Credit User Agreement</b>	Agreement between credit user and VMT mitigation program administrator. Provides for the purchase of credits and the associated implementation of VMT reducing project or program.
<b>Lead Agency</b>	The public agency that has primary responsibility for carrying out or approving a project that is subject to CEQA.
<b>VMT Mitigation Program Administrator</b>	The agency responsible for administration and operation of the VMT mitigation program.
<b>Program Sponsor</b>	The agency responsible for approving the creation of the VMT mitigation program.
<b>Additionality</b>	A policy outcome highlighted in the 2018 report, Implementing SB 743: An Analysis of Vehicle Miles Traveled Banking and Exchange Frameworks, and 2021 Caltrans VMT Program Bulletin 21-01: VMT Mitigation Funding Status and Additionality, where a VMT mitigation program is required to achieve VMT reduction above and beyond what would have occurred in the program's absence.

# General VMT Mitigation Concepts

Concept	Definition
<b>VMT Impact</b>	The generation of VMT above the applicable threshold of significance by a project.
<b>VMT Mitigation Action</b>	Applying measures that are effective and enforceable by the lead agency to avoid or reduce significant VMT impacts resulting from projects or plans.
<b>VMT Mitigation Program</b>	A collection of mitigation actions managed in a coordinated fashion and commonly implemented at a scale larger than an individual project (e.g., city- or county-wide).
<b>VMT Reduction Category</b>	The term for VMT reduction projects that involve the same type of capital improvement, transportation services, or transportation programs. Each category has a range of expected VMT reduction potential based on known mechanisms.

# Types of Regional VMT Mitigation Programs

Program	Description
<b>VMT Impact Fee Program</b>	A traditional impact fee program in compliance with the California Mitigation Fee Act (i.e., California Government Code 66000–66008). The nexus for the fee program is a VMT reduction goal consistent with the CEQA threshold established by a lead agency for SB 743 purposes. The main difference from a fee program based on a metric such as vehicle level of service (LOS) is that the VMT reduction nexus results in a capital improvement program consisting largely of transit, bicycle, and pedestrian projects. These types of fee programs allow for community-scale mitigation actions to be implemented through shared funding of the actions from qualifying land use development projects in the jurisdiction.

Program	Description
<b>VMT Mitigation Exchange</b>	<p>Relies on a Credit User agreeing to fund or implement a predetermined VMT-reducing project or propose a new one. The project may be located in the vicinity of a project requiring VMT mitigation, or elsewhere in the community, and possibly outside the community. The VMT Mitigation Exchange needs a facilitating entity that can match a VMT producer (the development/infrastructure project) with a VMT-reducing project or action. The facilitating entity could be the lead agency or another entity that can provide the match and document the VMT reduction with substantial evidence. This option offers the most flexibility in selecting mitigation projects and is also the least complex to set up. Implementation is completed on a project-by-project basis, similar to typical mitigation measures.</p>
<b>VMT Mitigation Bank</b>	<p>Attempts to create a monetary value for VMT reduction such that a Credit User could purchase VMT reduction credits to be used for CEQA mitigation. The money exchanged for credits could be applied to local, regional, or state-level VMT reduction projects or programs. Like all VMT mitigation, substantial evidence is necessary to demonstrate that the projects covered by the VMT Mitigation Bank would achieve expected VMT reductions, and some form of monitoring may be required. This is more complicated than a simple exchange and requires more time and effort to set up and implement. However, the VMT Mitigation Bank can include other VMT-reducing efforts (like rideshare or telecommute programs) that cannot be implemented in a VMT Impact Fee Program and would be more difficult to implement in a VMT Mitigation Exchange program. Verifying how much VMT reduction is associated with each dollar or credit, and tracking mitigation completion, are more difficult parts of the VMT Mitigation Bank. Perhaps the most restrictive component of a VMT Mitigation Bank is that VMT reduction credits must be generated before they can be purchased, which necessitates seed funding to implement projects or programs to begin developing the VMT credits before they are sold.</p>