

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2059 (Wilson) – As Amended March 19, 2026

**SUBJECT:** California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation

**SUMMARY:** Caps the cost of California Environmental Quality Act (CEQA) mitigation measures for significant transportation impacts of a transportation project located within a county under 200,000 population at 5% of the estimated total project cost.

**EXISTING LAW:**

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires the Office of Land Use and Climate Innovation (LCI) to prepare and develop proposed guidelines for the implementation of CEQA by public agencies. Requires the guidelines to include objectives and criteria for the orderly evaluation of projects and the preparation of EIRs and NDs. Also requires the guidelines to include criteria for public agencies to follow in determining whether a proposed project may have a significant effect on the environment. (PRC 21083)
- 3) Requires LCI to prepare proposed revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts within transit priority areas (TPAs). Requires the criteria to promote the reduction of greenhouse gas (GHG) emissions, the development of multimodal transportation networks, and a diversity of land uses. (PRC 21099)
- 4) Authorizes LCI to adopt CEQA Guidelines establishing alternative metrics to traffic “levels of service” (LOS) for transportation impacts outside of TPAs. Authorizes the alternative metrics to include the retention of LOS, where appropriate and as determined by LCI. Pursuant to this authority, LCI (under its former name, Office of Planning and Research) revised the CEQA Guidelines to identify vehicle miles traveled (VMT) as the most appropriate metric to evaluate a project’s transportation impacts and to apply VMT statewide. (PRC 21099)
- 5) Prohibits a lead agency from approving a project for which an EIR has been certified which identifies one or more significant effects on the environment unless both of the following occur:
  - a) The agency makes one or more of the following findings with respect to each significant effect:

- i. Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
    - ii. Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
  - b) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR, and the agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.  
(PRC 21081)
- 6) Defines “feasible” as capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

**THIS BILL:**

- 1) Prohibits, notwithstanding any other law, for a transportation project located within a rural county, the total cost of mitigation measures required to address a significant transportation impact as determined by the VMT metric from exceeding 5% of the estimated total project cost.
- 2) Requires any VMT mitigation measure that exceeds the 5% cap to be deemed economically infeasible.
- 3) Provides that the 5% cap does not apply to a transportation project that adds one or more general purpose lanes to the state highway system unless there is a demonstrated safety or evacuation need for the project.
- 4) Declares that the bill does not prohibit a lead agency from approving a project with significant and unavoidable impacts, if the agency adopts a statement of overriding considerations.
- 5) Defines the following terms:
  - a) “Demonstrated evacuation need” means a project is necessary to increase the capacity and speed of traffic flow during emergency evacuations, to implement physical or operational improvements to reduce fatalities and injuries during a disaster, to provide safe evacuation options for individuals with access or functional needs, to ensure a transportation facility remains functional during disasters, or to provide alternative routes, particularly in rural or high-vulnerability areas.
  - b) “Demonstrated safety need” means a project is necessary to reduce the number and severity of collisions, to upgrade infrastructure to meet current, safer design standards, or to improve safety for all users, including specific risks to vulnerable road users.

- c) “Estimated total project cost” means the total capital construction cost of the transportation project, as estimated for purposes of the environmental review document prepared pursuant to this division.
- d) “Rural county” means a county with a population of less than 200,000 persons, as determined by the most recent federal decennial census or the most recent population estimates published by the Department of Finance.
- e) “Transportation project” means a project undertaken by a public agency that consists of the planning, design, construction, reconstruction, rehabilitation, improvement, expansion, or operation of a highway, road, bridge, transit facility, rail facility, bicycle or pedestrian facility, or other public transportation infrastructure.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **From LOS to VMT.** Level of service (LOS) is a measure used by traffic engineers to determine the effectiveness of elements of transportation infrastructure. LOS measures the presence of traffic and how quickly cars can move through a street. LOS was used for decades to analyze transportation impacts under CEQA. However, several years ago LOS became regarded as outdated, based on concerns it neglects transit, pedestrian crossings, and bicycles. Critics contended that an over-reliance on LOS considerations by planners had led to widening intersections and roadways to move automobile traffic faster at the expense of other, less polluting modes of transportation.

In response, SB 743 (Steinberg), Chapter 386, Statutes of 2013, required LCI to update the criteria for analyzing transportation impacts of projects to replace LOS in TPAs (areas within a one-half mile of a major transit stop). According to SB 743, “(n)ew methodologies under (CEQA) are needed for evaluating transportation impacts that are better able to promote the state’s goals of reducing (GHG) emissions and traffic-related air pollution, promoting the development of multimodal transportation system, and providing clean, efficient access to destinations.” Under SB 743, the criteria were required to promote the reduction of GHG emissions, the development of multimodal transportation networks, and a diversity of land uses. For areas outside of a TPA, LCI was authorized to adopt guidelines that would establish alternative metrics to LOS. Additionally, LCI could retain LOS as a part of those alternative metrics outside of a TPA, if and where LCI deemed appropriate.

Pursuant to SB 743, LCI proposed changes to the CEQA Guidelines that identify VMT as the most appropriate metric to evaluate a project’s transportation impacts and to apply VMT statewide. VMT measures the amount and distance of automobile travel attributable to a project. The Guidelines took effect July 2020 and agencies are now required to analyze the transportation impacts of a project using a VMT metric instead of LOS.

According to LCI’s *Technical Advisory on Evaluating Transportation Impacts in CEQA*, published in December 2018:

The transportation sector has three major means of reducing GHG emissions: increasing vehicle efficiency, reducing fuel carbon content, and reducing the amount of vehicle travel. The California Air Resources Board (CARB) has provided a path forward for achieving these emission reductions from the transportation sector in its 2016 Mobile Source Strategy. CARB determined that it will not be possible to achieve the State's 2030 and post-2030 emission goals without reducing VMT growth. Further, in its 2018 Progress Report on California's Sustainable Communities and Climate Protection Act, CARB found that despite the State meeting its 2020 climate goals, 'emissions from statewide passenger vehicle travel per capita (have been) increasing and going in the wrong direction,' and 'California cannot meet its (long-term) climate goals without curbing growth in single-occupancy vehicle activity.' CARB also found that '(w)ith emissions from the transportation sector continuing to rise despite increases in fuel efficiency and decreases in the carbon content of fuel, California will not achieve the necessary (GHG) emissions reductions to meet mandates for 2030 and beyond without significant changes to how communities and transportation systems are planned, funded, and built.'

Thus, to achieve the state's long-term climate goals, California needs to reduce per capita VMT. This can occur under CEQA through VMT mitigation. Half of California's GHG emissions come from the transportation sector, therefore, reducing VMT is an effective climate strategy, which can also result in co-benefits. Furthermore, without early VMT mitigation, the state may follow a path that meets GHG targets in the early years, but finds itself poorly positioned to meet more stringent targets later.

[https://lci.ca.gov/docs/20190122-743\\_Technical\\_Advisory.pdf](https://lci.ca.gov/docs/20190122-743_Technical_Advisory.pdf)

## 2) **Author's statement:**

California's transition to a VMT framework under CEQA, implemented pursuant to SB 743, was intended to better align transportation and land use decisions with the state's climate goals. While that objective remains important, the current, project-level application of VMT mitigation has created unintended consequences that are undermining the delivery of critical transportation infrastructure, particularly in rural communities.

Under existing practice, transportation projects are frequently required to mitigate increases in VMT even when those projects are designed to improve safety, enhance emergency evacuation routes, or support goods movement. In many cases, these mitigation requirements lack a clear nexus to the project, rely on measures that are infeasible in rural or low-density areas, and are based on methodologies that cannot reliably demonstrate actual reductions in driving behavior. As a result, project sponsors are often left with costly and uncertain mitigation obligations that do not meaningfully advance the state's environmental goals.

These challenges are especially acute in rural regions, where residents have fewer transportation options and must rely on driving to access jobs, education, and healthcare. In these communities, transportation investments that increase mobility can improve quality of life and economic opportunity, yet they are often penalized under the current

framework. Moreover, the high and unpredictable cost of VMT mitigation has delayed or jeopardized projects that are essential for public safety, including those that serve as key evacuation routes during wildfires and other emergencies.

AB 2059 addresses these issues by establishing a reasonable and predictable cap on VMT mitigation costs for transportation projects in rural counties. By limiting mitigation requirements to a defined percentage of total project cost, the bill ensures that environmental considerations remain part of project development while preventing disproportionate burdens that can stall or cancel critical investments.

AB 2059 strikes a balanced path forward – maintaining California’s commitment to reducing greenhouse gas emissions while restoring the state’s ability to deliver safe, reliable, and resilient transportation infrastructure in all communities. For these reasons, AB 2059 is a necessary and timely reform.

**3) The 5% cap may cut potential funding for local public transit and affordable housing.**

This bill’s proposed cap based on estimated construction cost undermines the incentive to design projects to avoid VMT, and provides the greatest financial benefit to the highest VMT projects. The cap severs mitigation from impact, contrary to basic CEQA principles. It also creates a perverse incentive to underestimate construction costs, which are seldom accurate for highway projects. Estimated construction costs also bears no direct relationship to long-term costs, as well as revenues, of a highway project over its lifetime. VMT impacts and mitigation occur over the life of the project. Likewise, the cost of VMT mitigation is paid over time, not entirely up front.

For example, the I-5 Managed Lanes project in Orange County, which is forwarded as an example of the excesses of VMT mitigation, has a total VMT mitigation cost of \$441 million against a project construction cost of \$432 million. The VMT mitigation funds are going to be paid over time, from project toll revenues, to fund affordable housing, increased public transit service, and added bike lanes. Under this bill, the project’s contribution to these local amenities could be reduced by \$420 million, to just \$21.6 million, while the project will generate hundreds of millions in toll revenues.

**4) Projects are not required to implement mitigation unless it’s feasible, which considers economics, and projects can override significant effects under well-established and commonly used provisions of CEQA, which also includes economic considerations.**

Highway projects commonly override significant impacts, including VMT. The Yolo 80 Corridor Improvement, an estimated \$800 million project, spent \$55 million to mitigate 50% of its VMT impact, and overrode the balance of VMT impacts. According to the UC Institute for Transportation Studies, only six highway expansion projects have undergone CEQA review since Caltrans adopted VMT analysis in 2020. Of the six, just three projects that have a VMT mitigation cost exceeding 5% of project cost: The Orange County and Yolo County projects, along with the I-680 express lane project in Contra Costa County, which has an outsized mitigation price tag primarily because the lead agency approved a plan to implement an expensive hydrogen fuel cell bus service, which is relying on future grant awards to pencil out.

- 5) **The rural dilemma.** Notwithstanding the above, there are legitimate and unique challenges when it comes to mitigating VMT in rural communities, where there may be a lack of practical alternatives to driving. These communities may be isolated from public transit, have little demand for development of multi-family affordable housing, and have weather, topography, and/or commute distances that make active transportation an unrealistic option. While the new AB 130 VMT mitigation program provides an available and certain VMT mitigation option for any project anywhere, for some rural projects, the benefits of the affordable housing funded may be far removed from the project area. At the same time, it is unlikely there will be many highway expansion projects with significant VMT mitigation obligations in small rural counties, so the problem is likely limited.
- 6) **Suggested amendments.** *The author and the committee may wish to consider* amending this bill to revise the definitions of safety and evacuation need and replace the 5% cap with direct relief from VMT mitigation for highway projects in small counties, using the Tax Credit Allocation Committee's definition of non-metropolitan counties.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

Transportation California

##### **Opposition**

350 Bay Area Action

ActiveSGV

Center for Biological Diversity

ClimatePlan

Coalition for Clean Air

Leadership Council for Justice and Accountability

MoveLA

Planning and Conservation League

San Diego 350

Sierra Club

Streets for All

Transform

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