



Contra Costa County
Public Works
Department

Brian M. Balbas, Director

Deputy Directors
Stephen Kowalewski, Chief
Allison Knapp
Warren Laia
Carrie Ricci
Joe Yee

ADOPTED BY BOARD OF SUPERVISORS
ON _____

Five-Year Program Report for the North Richmond Area of Benefit

November 2022

Prepared Pursuant to Government Code Section 66001(d)(1)

Prepared by and for:

Contra Costa County Public Works Department, Transportation Engineering Division and
Department of Conservation and Development, Community Development Division

"Accredited by the American Public Works Association"

255 Glacier Drive Martinez, CA 94553-4825
TEL: (925) 313-2000 • FAX: (925) 313-2333
www.cccpublicworks.org

I. INTRODUCTION

The North Richmond Area of Benefit (North Richmond AOB) is a traffic mitigation fee program established for developers to contribute their fair share of the cost for transportation improvements necessary to serve growth. On September 26, 2017, the Contra Costa County Board of Supervisors adopted Ordinance No. 2017-22, as well as Resolution No. 2017/307, to update the Area of Benefit Program for the North Richmond AOB.

Government Code section 66001(d)(1), and Contra Costa Ordinance No. 2017-22, require that in the fifth fiscal year following the first deposit into the fund established for receipt of deposits of the collected transportation mitigation fees, and every five years thereafter, the Board of Supervisors shall make all the following findings with respect to that portion of the North Richmond AOB fund remaining unexpended, whether committed or uncommitted:

- (1) Identify the purpose to which the transportation mitigation fees are to be put.
- (2) Demonstrate a reasonable relationship between the transportation mitigation fees and the purpose for which they are charged.
- (3) Identify all sources and amounts of funding anticipated to complete financing of incomplete transportation improvements identified in the Report.
- (4) Designate the approximate dates on which the funding referred to in paragraph three (3) above is expected to be deposited into the appropriate account or fund.

Government Code section 66001(d)(2) requires the above findings to be made in connection with providing the public information required by Government Code section 66006(b). Section 66006(b) requires the County to make the following fiscal year information available within 180 days after the end of the fiscal year:

- (1) A brief description of the type of fee in the account or fund.
- (2) The amount of the fee.

- (3) The beginning and ending balance of the account or fund.
- (4) The amount of the fees collected, and the interest earned.
- (5) An identification of each public improvement on which fees were expended during the fiscal year and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- (6) An identification of the approximate date by which the construction of the public improvement will commence if the County determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- (7) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- (8) The amounts of any refunds under Section 66001(e), and any allocations under Section 66001(f).

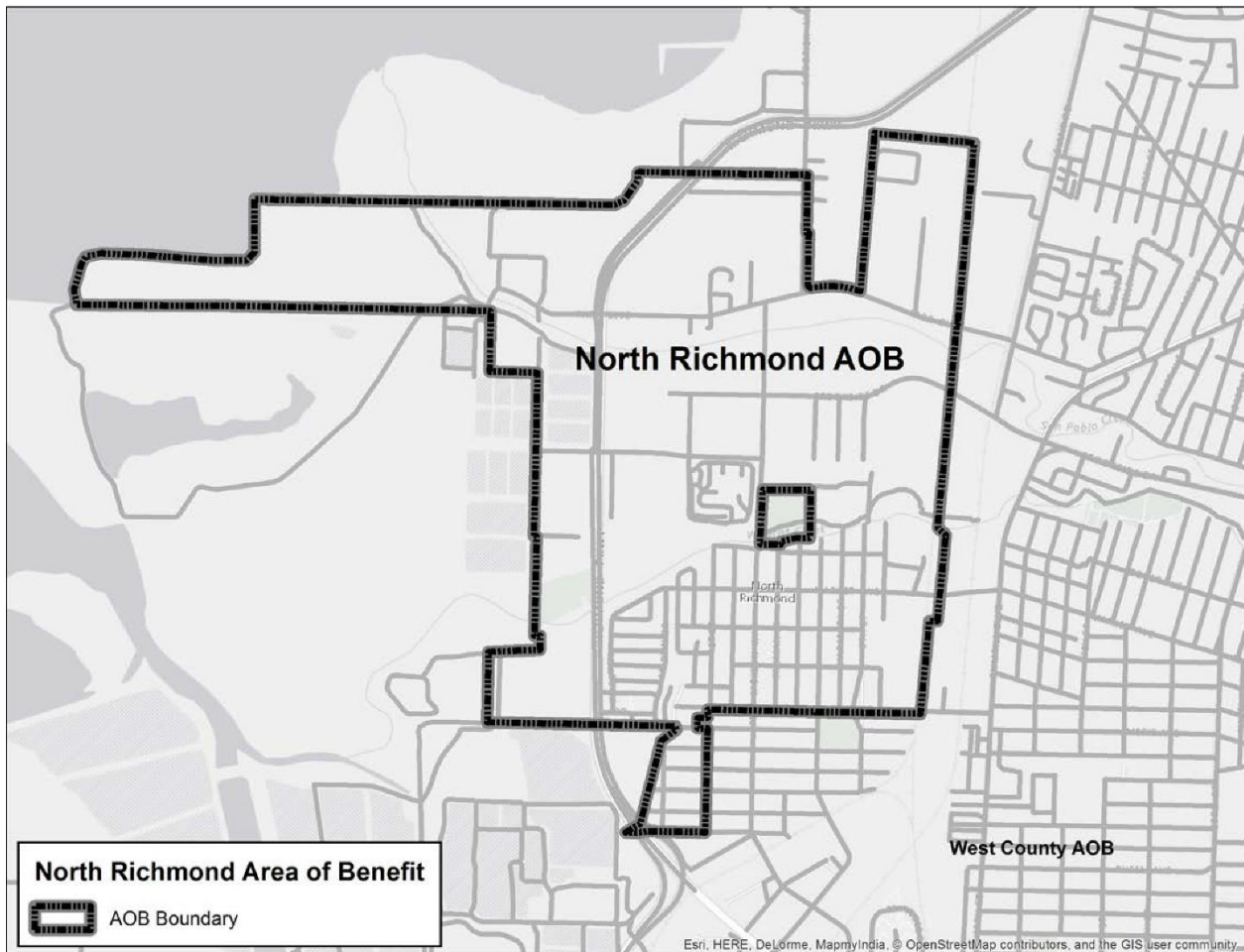
This report is prepared to satisfy the above five-year finding and reporting requirements. This report includes the findings that the Board of Supervisors is required to make under Government Code section 66001(d)(1), and information in support of each of those findings.

II. BACKGROUND

An "Area of Benefit" (AOB) is a geographic area of unincorporated Contra Costa County in which the County imposes transportation mitigation fees – a type of development impact fee on new development to fund new development's share of the transportation improvements required to satisfy transportation demands within that geographic area. (See Gov. Code, §§ 66484, 66484.7.) The County has 14 Areas of Benefit. This five-year update report relates to the North Richmond AOB. The North Richmond AOB boundary location is shown in Exhibit A.

The current fee structure is based upon the analysis published in the "Nexus Study North Richmond Area of Benefit", dated May 2017 (Nexus Study). The Nexus Study is included as an exhibit to the Development Program Report attached as Exhibit 1 to Resolution No. 2017/307, adopted by the Board of Supervisors on September 26, 2017. The fee structure implemented through Ordinance No. 2017-22 reflects a reduced fee rate for employment-generating land use, to encourage job growth.

Exhibit A. Area of Benefit Boundary Map



The current North Richmond AOB program includes a project list that consists of 11 projects, focused upon safety, pedestrian infrastructure, bicycle infrastructure and capacity improvements throughout the area (see Table 1).

Fee Rates

The fee rates established with Ordinance No. 2017-22 are listed below.

<u>Land Use type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 3,761	per dwelling unit
Multi-Family Residential	\$ 3,018	per dwelling unit
Commercial/Retail	\$ 9.53	per square foot
Office	\$ 6.63	per square foot
Industrial	\$ 5.26	per square foot
Other	\$ 5,782	per peak-hour trip

The Ordinance also allows for an annual fee adjustment. The current fee rates were last adjusted on January 1, 2022, and are as follows:

<u>Land Use type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 4,524	per dwelling unit
Multi-Family Residential	\$ 3,630	per dwelling unit
Commercial/Retail	\$ 11.46	per square foot
Office	\$ 7.97	per square foot
Industrial	\$ 6.32	per square foot
Other	\$ 6,955	per peak-hour trip

Projects Constructed

The following projects have been designed or constructed since 2017:

- Fred Jackson Way First Mile/Last Mile (NR4/NR7)
- Parr Boulevard and Richmond Parkway Intersection Improvements (NR5)
- Central Street Bicycle and Pedestrian Improvements (NR12)
- Pittsburgh Avenue Sidewalk Improvements (NR13)

Chesley Avenue Traffic Calming Measures (NR15)

Table 1. North Richmond Area of Benefit Project List

Cost estimates and fee rate calculations provided below are from the 2017 Nexus Study and, therefore, reflect dollar values at the time of adoption in 2017.

ID	Project	Total Cost Estimate	North Richmond AOB Share ²	Potential AOB Fee Contribution
NR1	Pittsburg Avenue at Richmond Parkway Intersection Improvements	\$1,183,000	7.32%	\$86,637
NR3/NR10	Market Avenue Complete Streets Project	\$6,544,000	69.24%	\$4,531,102
NR4/NR7/ NR9	Fred Jackson Way Complete Streets Project	\$5,345,000	69.24%	\$3,700,908
NR5	Parr Boulevard Complete Streets Project	\$5,527,000	33.91%	\$1,874,437
NR6	Brookside Drive Complete Streets Project	\$4,892,000	40.17%	\$1,964,974
NR8	Truck route between Verde Avenue and Parr Boulevard	\$28,453,000	69.24%	\$19,701,016
NR11	Circulation and safety improvements for Verde Elementary School	\$2,597,000	69.24%	\$1,798,177
NR12	Safety improvements on Central Street, Between Brookside Drive and Pittsburgh Avenue	\$1,013,000	69.24%	\$701,407
NR13	Pittsburgh Avenue Complete Streets Project	\$2,208,000	69.24%	\$1,528,832
NR14	Safety improvements on Goodrick Avenue, between Parr Boulevard and AOB Boundary (550' South of Richmond Parkway)	\$1,695,000	69.24%	\$1,173,627
NR15	Chesley Avenue Traffic Calming Measures	\$143,000	69.24%	\$99,014
TOTAL		59,600,000	62.35%	\$37,160,131
Existing Fee Account Balance (as of January 2016)				\$1,161,000
Total Cost Minus Existing Funds (as of 2017)				\$35,999,131
Projected Growth in Trips (as of 2017)				2,864
Projected Fee per Trip (as of 2017)				\$12,569

Account Status

FY 2017/2018 Beginning Fund Balance – \$1,077,691

Funds Expended on projects from FY 2017/2018–FY 2021/2022 – \$1,319,046

Revenue generated between FY 2017/2018–FY 2021/2022 – \$6,105,761

Fund Balance as of June 30, 2022 – \$5,864,406

III. GOVERNMENT CODE SECTION 66001(d)(1) FINDINGS

(1) Identify the purpose to which the transportation mitigation fees are to be put.

The purpose of the fee program is to fund new development's share of the estimated costs of the transportation improvements identified in the Nexus Study and shown in Table 1 ("Transportation Improvements"), pursuant to Government Code sections 66484 and 66484.7. The Transportation Improvements are necessary to meet transportation demands within the North Richmond AOB by 2040. The transportation mitigation fees will be used to partially or entirely fund the Transportation Improvements identified in the Nexus Study, and included on Table 1, including costs related to planning, engineering, administration, right-of-way acquisition, construction, or any other permits or studies required through the construction process for the improvements. Projects NR4/NR7 and NR15 as identified in Table 1 were completed in 2022. Intersection improvements as part of Project NR5 were constructed in 2021. Pedestrian and bicycle improvements for Projects NR 12 and NR 13 were constructed in 2020.

(2) Demonstrate a reasonable relationship between the transportation mitigation fees and the purpose for which they are charged.

As further described in the Nexus Study, the transportation mitigation fees are imposed to fund new development's proportional share of the Transportation Improvements that will serve or mitigate the impact of transportation demands caused by new development within the North Richmond AOB by 2040. New development within the North Richmond AOB will include new single-family residential and multi-family residential dwelling units

and new commercial/retail, office, and industrial developments. Each of these types of development generates vehicle trips at a certain rate. The transportation mitigation fees represent new development's proportional share of the cost of the Transportation Improvements. Each new development project pays its fair share of the cost of the transportation improvements required to accommodate it, based on the number of equivalent dwelling units and trips generated. The transportation mitigation fee for each new development will be calculated based on a factor of the number of peak-hour vehicle trips that will be generated by each new development project, and charged on a per-dwelling-unit, per-square-foot, or per-peak-hour-trip basis. The method of fee apportionment is based upon industry standard trip generation rates per the Trip Generation Manual published by the Institute of Transportation Engineers.

- (3) Identify all sources and amounts of funding anticipated to complete financing of incomplete transportation improvements identified in the Report.

The Transportation Improvements within the North Richmond AOB program will be partially funded by AOB fee revenues. Other sources of funding, such as State or Federal aid, or local funding sources, such as Measure J funds or gas tax revenues, will be pursued to complete financing of these projects on a project-by-project basis.

The rate at which revenue is generated by transportation mitigation fees within the North Richmond AOB is dependent on the rate of new development. North Richmond AOB revenue generation, as well as gas tax revenue, and grant funds, drive the timing of construction of Transportation Improvements because it is anticipated that most improvements will be funded through a combination of all these funding sources.

- (4) Designate the approximate dates on which the funding referred to in paragraph three (3) above is expected to be deposited into the appropriate account or fund.

The rate of revenue for capital improvements can vary based upon the economy and political issues, so the anticipated dates for funding are estimated. The rate of

development is dependent on the economy and, thus, influences the rate of North Richmond AOB fee collections. Over the last five years approximately \$6,106,000 in North Richmond AOB fees were collected. Federal, State, and local dollars can also be unpredictable. Historically, the rate of gas tax revenue was relatively constant, but due to reduced revenue resulting from fuel efficient vehicles and pending legislation, it is difficult to predict the rate of matching funds for these projects in the future.

Grant funds are also difficult to predict as local agencies must compete for funding, and awards are not assured. Although the rate of funding is unpredictable, a very rough estimate over the next five years for funding of improvements on the North Richmond AOB project list is approximately \$5,200,000 in public dollars from Local, State and Federal sources plus an estimated \$6,000,000 from North Richmond AOB. Although a prediction cannot be made with certainty, it is anticipated that the County will receive sufficient North Richmond AOB and other revenues to complete the following project over the next five years:

- Market Avenue Complete Streets Project. (Project NR3/NR10):
Market Avenue is a minor arterial in North Richmond that connects residents to multiple destinations such as grocery stores, places of worship and bus stops. The intent of the project is to install bicycle and pedestrian improvements and traffic calming improvements along Market Avenue between Fred Jackson Way and 7th Street. By providing a safe connection for pedestrians and bicyclists to newly constructed active transportation improvements along Fred Jackson Way, residents of North Richmond will have more modes of transportation available to reach the Bay Area Rapid Transit (BART), which links them to the greater Bay Area.

IV. GOVERNMENT CODE SECTION 66006(b)(1) INFORMATION FOR FY 2021/2022

As Section III of this report provided accounting information for the past five years, Section IV provides annual reporting for fiscal year 2021/2022. Full accounting will be provided for North Richmond AOB with the AB1600 annual report, which is provided to the Board of Supervisors within 180 days of the end of the fiscal year.

(1) A brief description of the type of fee in the account or fund:

The North Richmond AOB Fee is a development impact fee on new development to fund new development's share of the cost to construct road improvements to serve new developments in the North Richmond area of Contra Costa County. Requiring that all new development pay a road improvement fee will help ensure that they participate in the cost of improving the road system.

(2) The amount of the fee:

The fee rates for FY 2021/2022 as of January 2022:

<u>Land Use type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 4,524	per dwelling unit
Multi-Family Residential	\$ 3,630	per dwelling unit
Commercial/Retail	\$ 11.46	per square foot
Office	\$ 7.97	per square foot
Industrial	\$ 6.32	per square foot
Other	\$ 6,955	per peak-hour trip

(3) The beginning and ending balance of the account or fund:

FY 2021/2022 Beginning Fund Balance – \$4,168,276

FY 2021/2022 Ending Fund Balance – \$5,864,406



- (4) The amount of the fees collected, and the interest earned:

Developer Fees Collected – \$1,990,984

Interest Earned – \$14,730

- (5) An identification of each public improvement on which fees were expended during the fiscal year and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees:

Funds in the amount of \$267,951 were expended on public improvements in this fiscal year as part of the Chesley Avenue Traffic Calming Measures Project (NR15). 100% of project expenditures were funded by AOB fees.

- (6) An identification of the approximate date by which the construction of the public improvement will commence if the County determines that sufficient funds have been collected to complete financing on an incomplete public improvement.

There is no approximate date to report. Project NR 15 was constructed in summer 2022.

- (7) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

An interfund transfer or loan was not made from the fund.

- (8) The amounts of any refunds under Section 66001(e), and any allocations under Section 66001(f).

No refunds have been made to the fund.

V. CONCLUSION

The North Richmond AOB program has generated revenue representing new development's proportional share of the cost of Transportation Improvements needed to mitigate transportation impacts within the North Richmond AOB by 2040. Over the past five years, five such projects have been completed using a combination of North Richmond AOB transportation mitigation fee revenue, Federal funds such as Active Transportation Program (ATP), State funds such as State Coastal Conservancy (SCC), and other local funds such as Measure J Transportation for Livable Communities (TLC). These funds have been and will continue to be used to fully fund projects within on the AOB project list. Recently, Fred Jackson Way First Mile/Last Mile Project (Project NR4/NR7 in Table 1) received \$3,298,000 in Federal funds, and this project was constructed in summer 2022.¹ Therefore, the County has made reasonable progress in implementing the Transportation Improvements included in the North Richmond AOB program.

Looking forward to the next five years, it is anticipated that one additional project will be constructed from the North Richmond AOB project list with growth's fair share of funding provided by the North Richmond AOB fund balance. The remainder of funds for the future projects will come from a combination of grants and local road funds. The circulation needs for this area as detailed in the 2017 Nexus Study remain. The current fund balance will be allocated to the projects listed in Table 1.

G:\transeng\AOB\North Richmond AOB\2022 5-yr Review\Final Report\5-Year Report North Richmond AOB.docx

¹ Project NR4/NR7 utilized North Richmond AOB funds in fiscal years prior to FY 21/22. Grant funds were used in FY 21/22 for the construction of the project. Thus, no AOB funds for the project were reported pursuant to Government Code section 66006(b).
