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ADOPTED BY BOARD OF SUPERVISORS  
ON \_\_\_\_\_

# **Five-Year Program Report for the South County Area of Benefit**

October 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

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## I. INTRODUCTION

The South County Area of Benefit (South County 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 August 6, 1996, the Contra Costa County Board of Supervisors adopted Ordinance No. 1996-27, as well as Resolution No. 1994/344, to update the Area of Benefit Program for the South County AOB.

Government Code section 66001(d)(1) 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 of the following findings with respect to that portion of the South County 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).

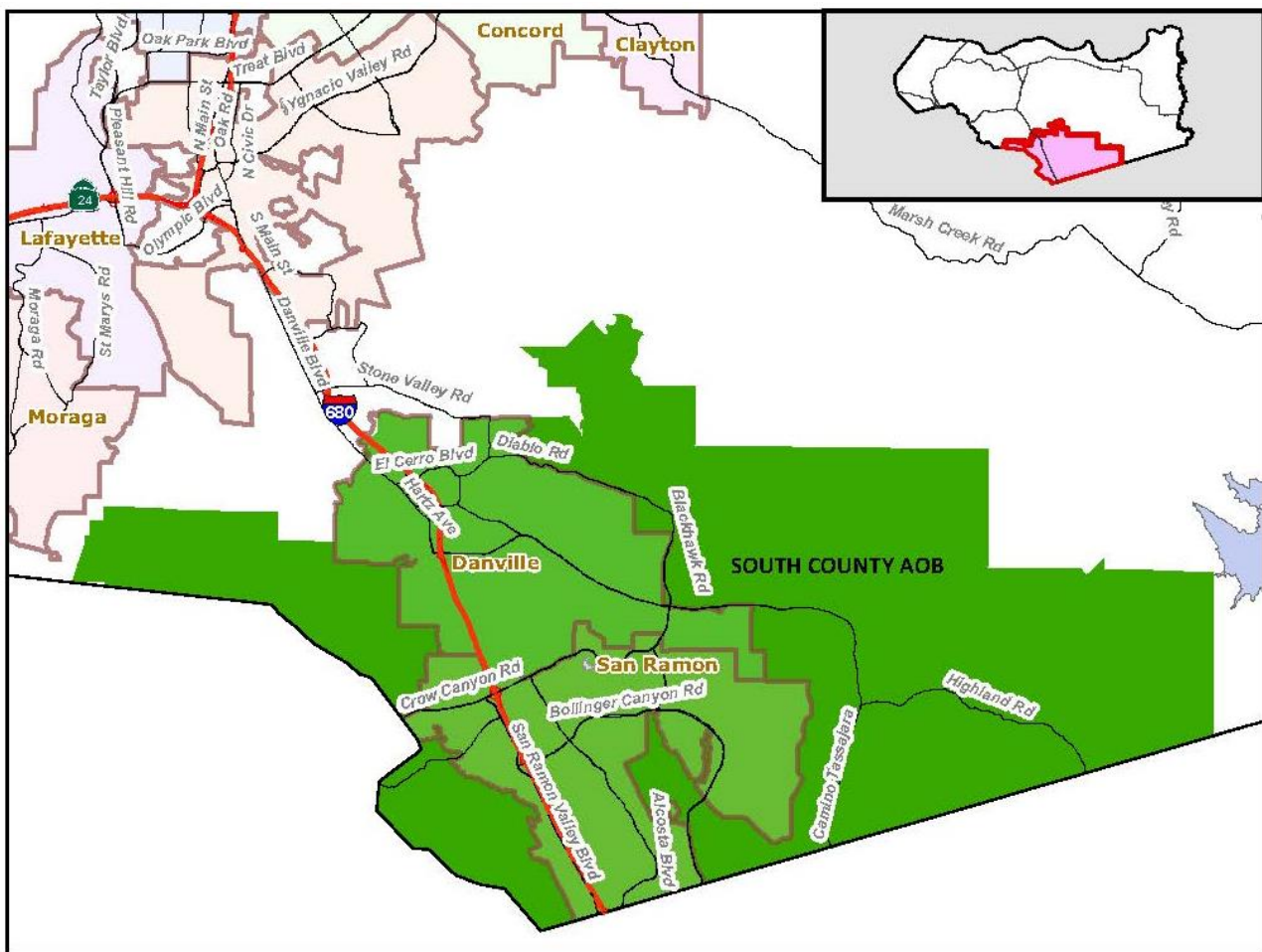
This report is prepared to satisfy the above five-year finding and reporting requirements. This report includes the findings that the Board of Supervisors is required to make under Government Code section 66001(d)(1), and information in support of each of those findings.

## 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 South County AOB. The South County AOB boundary location is shown in Exhibit A.

The current fee structure is based upon the analysis published in the Development Program Report for the South County Area of Benefit" dated August 1996. The Development Program Report (DPR) is included as Exhibit 1 to Resolution No. 1996/344, adopted by the Board of Supervisors on August 6, 1996.

**Exhibit A. Area of Benefit Boundary Map**



The current South County AOB program includes a project list that consists of 2 projects, focused upon safety and capacity improvements throughout the area (see Table 1).

### Fee Rates

The fee rates established with Ordinance No. 1996-27 are listed below.

<u>Land Use Type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 1,612	per dwelling unit
Other	\$ 1,612	per peak-hour trip

The Ordinance also allows for an annual fee adjustment. The current fee rates as of March 1, 2022:

<u>Land Use Type</u>	<u>Fee</u>	<u>Per Unit</u>
Single Family Residential	\$ 3,587	per dwelling unit
Other	\$ 3,587	per peak-hour trip

### Projects Constructed

The following projects have been designed and partially constructed since 2017:

Camino Tassajara

**Table 1. South County Area of Benefit Project List**

Cost estimates and fee rate calculations provided below are from the 1996 Development Program Report and, therefore, reflect dollar values at the time of adoption in 1996.

ID	Project	Description	Potential AOB Fee Contribution
1	Camino Tassajara	Improve County portion to two lane rural highway standard	\$765,000
2	Crow Canyon Road	Various safety and capacity improvements	\$60,000
<b>TOTAL</b>			<b>\$825,000</b>
Area of Benefit Share (as of 1996)			<b>\$825,000</b>
2% Administration (as of 1996)			<b>\$16,500</b>
Total Area of Benefit Revenue (as of 1996)			<b>\$841,500</b>
Potential Development (as of 1996)			<b>522 Single Family Residencies</b>
Fee Per Unit (as of 1996)			<b>\$1,612</b>

**Account Status**

FY 2017/2018 Beginning Fund Balance – \$2,912,166

Funds Expended on projects from FY 2017/2018–FY 2021/2022 – \$761,130

Revenue generated between FY 2017/2018–FY 2021/2022 – \$545,211

Fund Balance as of June 30, 2022 – \$2,696,247

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 Development Program Report (DPR) 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 South County AOB. The transportation mitigation fees will be used to partially or entirely fund the Transportation Improvements identified in the DPR, 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. The Camino Tassajara project identified in Table 1 was partially completed in 2019. Crow Canyon Road has been annexed by the City of San Ramon; thus, no remaining project exists along this road. The remaining improvements along Camino Tassajara continues to represent the future needs for the area and is the purpose of continuing the fee program.

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

As further described in the DPR, 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 South County AOB. New development within the South County 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 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 South County 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 improvements.

The rate at which revenue is generated by transportation mitigation fees within the South County AOB is dependent on the rate of new development. South County 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 South County AOB fee collections. Over the last five years approximately \$545,000 in South County 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 compete for funding. Awards are not assured. Although the rate of funding is unpredictable, a very rough estimate over the next five years for funding of circulation improvements on the South County AOB project list is approximately \$27,000,000 in public dollars from Local, State and Federal



sources plus an estimated \$3,000,000 from South County AOB. Although a prediction cannot be made with certainty, it is anticipated that the County will receive sufficient South County AOB and other revenues to complete the following project over the next five years:

- Camino Tassajara Road Realignment: Project to realign and improve Camino Tassajara within unincorporated Contra Costa County, and Tassajara Road within the City of Dublin at the Contra Costa County/Alameda County Line, between Windemere Parkway and Palisades Drive.

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 South County AOB with the AB 1600 annual report (see Exhibit A), 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 South County 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 South County 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	\$3,587	per dwelling unit
Multi-Family Residential	\$3,587	per dwelling unit

Office	OTHER	per peak-hour trip
Industrial	OTHER	per peak-hour trip
Commercial/Retail	OTHER	per peak-hour trip
Other	\$3,587	per peak-hour trip

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

FY 2021/2022 Beginning Fund Balance – \$2,681,470

FY 2021/2022 Ending Fund Balance – \$2,696,247

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

Developer Fees Collected – \$10,761

Interest Earned – \$7,605

(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.

No fees were expended on public improvements in this fiscal year.

(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.

(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 South County AOB program has generated revenue representing new development's proportional share of the cost of Transportation Improvements needed to mitigate transportation impacts within the South County AOB. Over the past five years, one such project has been partially constructed using a combination of South County AOB transportation mitigation fee revenue and other local funds such as Measure J, Southwest Area Transportation Committee (SWAT), Tri-Valley Transportation Council (TVTC), and gas tax. These funds have been used to fully fund the Camino Tassajara Bike Lane Gap Closure project, which is a component of the Camino Tassajara project on the AOB project list. Therefore, the County has made reasonable progress in implementing the Transportation Improvements included in the South County AOB program.

Looking forward to the next five years, it is anticipated that the Camino Tassajara project will be fully constructed from the South County AOB project list using growth's fair share contribution of funding deposited in the South County AOB fund account. 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 1996 Development Program Report remain. The current fund balance will be allocated to the project listed in Table 1.