FEHR PEERS

Technical Memorandum

Date: January 31, 2025

To: Joe Smithonic, Program Manager, Contra Costa Public Works Department

From: Julie Morgan, Nahal Hakim and Bruno Lertora, Fehr & Peers

Subject: Technical Support for Contra Costa County Fee Reduction Policy Analysis

WC24-4140

Background

State legislation known as AB 3177, adopted in September 2024, modifies a section of the Mitigation Fee Act (Government Code section 66005.1) to specify that transportation impact fees should be reduced for residential developments located within transit priority areas that meet certain requirements. A "transit priority area" is defined as an area within one-half mile of a major transit stop; a "major transit stop" would include a rail or bus rapid transit station, a ferry terminal served by either bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 20 minutes or less during the morning and afternoon peak commute periods.

Specifically, residential developments that satisfy all of the following characteristics should be charged a lower transportation impact fee to reflect that the development is likely to have lower trip generation rates compared to housing developments without these characteristics; the agency imposing the fee has discretion to determine the amount of the reduction.

- The housing development is located within a transit priority area (TPA) around an existing or planned major transit stop, and the major transit stop, if planned, is programmed to be completed before or within one year of the scheduled completion and occupancy of the housing development.
- Convenience retail uses, including a store that sells food, are located within one-half mile of the housing development.

- The housing development provides either the minimum number of parking spaces required by the local ordinance, or no more than one onsite parking space for zero to two bedroom units, and two onsite parking spaces for three or more bedroom units, whichever is less.

Contra Costa County staff have asked Fehr & Peers for assistance in determining how this provision of the Mitigation Fee Act would apply to the County's transportation impact fee programs, which are generally referred to as Area of Benefit or AOB programs.

Identifying Affected Locations

Understanding whether a proposed residential development would be affected by this Mitigation Fee Act requirement would involve first identifying the TPA locations within unincorporated Contra Costa County, and then determining whether a proposed residential development is located within one of those TPAs and also meets the other criteria outlined above (related to the presence of nearby convenience retail uses and the development's parking supply). It should be noted that the definition of TPA and the eligibility criteria for getting a reduced transportation impact fee are currently set in state law and may change over time with future legislative actions. As of now, a current source of information about the locations of TPAs in the Bay Area is the "Transit Priority Areas (2021)" map available at https://opendata.mtc.ca.gov/datasets/MTC::transit-priority-areas-2021-1. The County's GIS team may also have maps showing TPAs within Contra Costa County. The determination about whether a proposed residential development meets the other criteria would depend on the specific characteristics of the proposed development and would be determined during the review of the development application.

Estimating Fee Reduction

The purpose of the analysis presented in this memo is to help the County estimate a percentage reduction in transportation impact fees that could be applied to proposed residential developments that meet the criteria presented above. For the purposes of this exercise, County staff and Fehr & Peers identified several transit-oriented locations that definitely or are likely to meet the definition of a TPA and where there is unincorporated land within the TPA. These locations included the Richmond Parkway Transit Center and the BART stations at Orinda, Pittsburg/Bay Point, Pleasant Hill/Contra Costa Center, and Walnut Creek. The El Cerrito Plaza BART station was also identified as a potential location, but it was excluded from the analysis due to the very small overlap between land within the TPA and unincorporated land, and the existing land use of the unincorporated land.

The legislative intent of the new Mitigation Fee Act requirements is to offer a reduced transportation impact fee to reflect the reduced automobile trip generation associated with transit-proximate housing developments. To estimate the effects of transit-oriented development characteristics on vehicular trip generation, the Fehr and Peers' MXD+ tool has been used. This

tool was selected because the traditional ITE *Trip Generation* methodologies are primarily based on data collected at single-use, freestanding sites located in suburban areas where there is limited accessibility by transit. These defining characteristics limit the data's applicability to development projects located in more pedestrian-friendly and transit-accessible places and with a mix of uses available in close proximity.

Background on MXD+ Method

The development of the MXD+ technique began in response to the limitations in the ITE *Trip Generation* methodology. With the goal of providing a straightforward and empirically validated method of estimating vehicle trip generation at mixed-use developments, the U.S. Environmental Protection Agency (EPA) sponsored a national study of the trip generation characteristics of mixed-use sites. Travel survey data was gathered from 239 mixed-use developments (called MXDs) in six major metropolitan regions and correlated with the characteristics of the sites and their surroundings. The findings indicated that the amount of traffic generated by each site is affected by a wide variety of factors including the mix of jobs and residents at the site, the overall size and density of the development, the availability of convenient internal connections for walking or driving between nearby uses, the availability of transit service to the site, and the surrounding trip destinations within the immediate area. None of these factors is explicitly accounted for in the traditional application of the ITE *Trip Generation* manual method. These characteristics were statistically related to trip behavior observed at the development sites and the resulting equations predict how the trip generation from a particular mixed-use site would be reduced as compared to the traditional ITE methods. Applying these vehicle trip reduction percentages to the "raw trips" predicted by the ITE methods produces an estimate for the number of vehicle trips traveling in or out of a site.

Application of MXD+ Method to Selected Locations

To estimate how automobile trip generation might be affected for new housing developments covered by the provisions of Section 66005.1, the MXD+ methodology was applied to a hypothetical multi-family residential development that was assumed to be located within each of the transit-oriented locations selected for this analysis. It was also assumed that the hypothetical residential development exhibited all of the other characteristics required under Section 66005.1 to qualify for a reduced fee (that is, it met the criteria related to proximity of convenience retail uses and parking supply). Each test case, one for each of the five selected locations, is described in the following tables, with the average results presented in **Table 6**.

As shown, the MXD+ model estimates that residential developments that exhibit the characteristics specified in Section 66005.1 would have, on average, PM peak hour trip generation rates that are approximately 13% lower than the standard ITE methods. The County's AOB fee programs typically calculate fees based on PM peak hour trip generation characteristics. Therefore, based on the analysis presented here, a residential project that meets the criteria in

Section 66005.1 could be granted a fee reduction of 13% compared to the standard residential fee for that project.

Please contact us with any questions.

Table 1: Vehicle Trip Generation - Hypothetical Project near Richmond Parkway Transit Center

Land Use	ITE Code	Quantity[1]	Daily	PM Peak Hour		
				In	Out	Total
Multifamily Housing (Low-rise)	220	150 du	1,011	49	28	77
MXD+ Trip Reductions[2]			-82	-7	-5	-11
Net New Project Trips			929	42	23	66
Trip Reduction (%)			**-8%**	**-13%**	**-17%**	**-14%**

Note:

1. 1 du = 1 dwelling unit
2. MXD+ Trip Reductions include travel within project or to nearby uses and trips made by non-automobile modes

Source: Fehr & Peers, 2024.

Table 2: Vehicle Trip Generation - Hypothetical Project near Orinda BART

Land Use	ITE Code	Quantity[1]	Daily	PM Peak Hour		
				In	Out	Total
Multifamily Housing (Low-rise)	220	150 du	1,011	49	28	77
MXD+ Trip Reductions[2]			-31	-5	-2	-8
Net New Project Trips			980	44	26	69
Trip Reduction (%)			**-3%**	**-11%**	**-9%**	**-10%**

Note:

1. 1 du = 1 dwelling unit
2. MXD+ Trip Reductions include travel within project or to nearby uses and trips made by non-automobile modes

Source: Fehr & Peers, 2024.

Table 3: Vehicle Trip Generation - Hypothetical Project near Pittsburg/Bay Point BART

Land Use	ITE Code	Quantity[1]	Daily	PM Peak Hour		
				In	Out	Total
Multifamily Housing (Low-rise)	220	150 du	1,011	49	28	77
MXD+ Trip Reductions[2]			-53	-6	-2	-9
Net New Project Trips			958	43	26	68
Trip Reduction (%)			**-5%**	**-13%**	**-9%**	**-11%**

Note:

1. 1 du = 1 dwelling unit
2. MXD+ Trip Reductions include travel within project or to nearby uses and trips made by non-automobile modes

Source: Fehr & Peers, 2024.

Table 4: Vehicle Trip Generation - Hypothetical Project near Pleasant Hill/Contra Costa Center BART

Land Use	ITE Code	Quantity[1]	Daily	PM Peak Hour		
				In	Out	Total
Multifamily Housing (Low-rise)	220	150 du	1,011	49	28	77
MXD+ Trip Reductions[2]			-95	-8	-4	-12
Net New Project Trips			916	41	24	65
Trip Reduction (%)			**-9%**	**-16%**	**-14%**	**-15%**

Note:

1. 1 du = 1 dwelling unit
2. MXD+ Trip Reductions include travel within project or to nearby uses and trips made by non-automobile modes

Source: Fehr & Peers, 2024.

Table 5: Vehicle Trip Generation - Hypothetical Project near Walnut Creek BART

Land Use	ITE Code	Quantity[1]	Daily	PM Peak Hour		
				In	Out	Total
Multifamily Housing (Low-rise)	220	150 du	1,011	49	28	77
MXD+ Trip Reductions[2]			-65	-7	-3	-10
Net New Project Trips			946	42	25	67
Trip Reduction (%)			**-6%**	**-14%**	**-10%**	**-13%**

Note:

1. 1 du = 1 dwelling unit
2. MXD+ Trip Reductions include travel within project or to nearby uses and trips made by non-automobile modes

Source: Fehr & Peers, 2024.

Table 6: Vehicle Trip Generation - Average of all Hypothetical Projects

Land Use	ITE Code	Quantity[1]	Daily	PM Peak Hour		
				In	Out	Total
Multifamily Housing (Low-rise)	220	150 du	1,011	49	28	77
MXD+ Trip Reductions[2]			-65	-7	-3	-10
Net New Project Trips			946	42	25	67
Trip Reduction (%)			**-6%**	**-13%**	**-12%**	**-13%**

Note:

1. 1 du = 1 dwelling unit
2. MXD+ Trip Reductions include travel within project or to nearby uses and trips made by non-automobile modes

Source: Fehr & Peers, 2024.