

# SOLANO COUNTY SUBREGION

## 6TH CYCLE REGIONAL HOUSING NEEDS ALLOCATION

### PROPOSED METHODOLOGY

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## 1. INTRODUCTION

The Regional Housing Needs Allocation (RHNA) process is mandated by California law and requires all local jurisdictions to plan for their ‘fair share’ of housing units at all affordability levels. This Proposed RHNA Methodology is part of the Solano Subregion’s 6th Cycle RHNA, covering the period from January 2023 through December 2030, and assigning housing need allocations to the Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun, Vacaville, and Vallejo, and unincorporated Solano County.

Typically, a region’s council of governments prepares the RHNA methodology for all its member jurisdictions, however, Government Code Section 65584.03 allows for “...at least two or more cities and a county, or counties, to form a subregional entity for the purpose of allocation of the subregion’s existing and projected need for housing among its members...” For the 6<sup>th</sup> Cycle RHNA, all seven incorporated cities and unincorporated Solano County chose to form a subregional entity for which they designated the City County Coordinating Council (4Cs) to serve as the representative body.

The RHNA process for a subregion consists of several key steps. First, the California Department of Housing and Community Development (HCD) allocates a specified number of housing units to the region (ABAG), segmented into four income affordability levels: very low-income, low-income, moderate-income, and above moderate-income. Then the council of governments (ABAG) assigns a share of its allocation to any subregions that form—in the ABAG region, the Solano County Subregion is the only subregion preparing its own methodology for the 6<sup>th</sup> Cycle RHNA. For this 6th Cycle RHNA, the Solano County Subregion received an allocation of 10,992 units. Next, the Solano County Subregion develops a methodology to allocate units by income level to each jurisdiction within the subregion and incorporates the approved methodology into a RHNA Plan. When the RHNA Plan is complete, local jurisdictions must plan to accommodate the development of their respective allocation of units in each income group through the Housing Element of their General Plans, as required by State law.

The California Government Code requires the RHNA methodology to further five specific objectives and incorporate a series of factors. These objectives and factors primarily serve to further fair housing goals and overcome historical income segregation patterns across the state by directing new units in relatively job-rich and high-amenity areas within each region.

This document describes the proposed methodology to allocate housing units by income tier among the participating jurisdictions of the Solano County Subregion for the 6<sup>th</sup> Cycle RHNA, the process for developing the methodology, and how the methodology addresses the statutory requirements for furthering the five RHNA objectives identified in Government Code Section 65584(d). The methodology consists of two primary components: the spatial allocation of units to each jurisdiction and the distribution of units by income tier. Following is an overview of the methodology for each component.

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## 2. UNIT ALLOCATION METHODOLOGY

The unit allocation methodology applies four weighted factors to distribute the Subregional Share across the Solano Subregion's eight jurisdictions. To distribute the allocation among the jurisdictions, the methodology starts with assigning a base allocation, which is the jurisdictions' percent share of the subregion's 2019 household distribution, multiplied by the total Subregion Share of 10,992 units.

The base allocation establishes a foundational allocation that recognizes the significant capacity differences between jurisdictions and provides for an allocation that is suitable for each jurisdiction's existing size. The 2019 share of the households in the subregion reflects these differences. The base allocation is shown in **Table 1**.

**TABLE 1 BASE ALLOCATION**

Jurisdiction	Jurisdiction's Share of 2019 Household Distribution	Base Allocation
City of Benicia	7.2%	791
City of Dixon	4.2%	458
City of Fairfield	25.2%	2,768
City of Rio Vista	2.9%	320
City of Suisun	6.1%	676
City of Vacaville	22.3%	2,456
City of Vallejo	27.5%	3,019
Unincorporated Solano County	4.6%	505
<b>Total</b>	<b>100%</b>	<b>10,992</b>

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## ALLOCATION FACTORS

Using the base allocation as a foundation, the draft methodology adjusts each jurisdiction's regular growth allocation using four weighted factors.

In preparation for choosing the allocation factors, the Solano County Subregion collected and analyzed more than 20 data layers, including:

- High Resource Areas
- Access to High Opportunities
- Cost-burdened Households
- Overcrowded Households
- Racial Diversity
- Divergence Index
- Child Poverty Status
- Educational Attainment
- Existing Jobs
- Future Jobs
- Jurisdiction Job Access
- Jobs-Housing Balance
- Jobs-Housing Fit
- Jobs Proximity-Auto
- Jobs Proximity-Transit
- Priority Development Areas
- Transit Connectivity
- Transit Access
- Future Transit Access
- Vehicle Miles Traveled
- Natural Hazards
- Future Household Growth
- Development Capacity

After thoughtful consideration of all factors, the 4Cs, with support from the Solano Planning Directors, agreed to use Transit Connectivity, Development Capacity, Future Jobs, and Childhood Poverty Status as the factors to adjust the base allocation. Each of these measures is shown in **Table 2** and described in more detail herein.

**TABLE 2 PROPOSED FACTORS AND SCALED SCORES**

Jurisdiction	Transit Connectivity	Development Capacity	Future Jobs	Child Poverty Status
City of Benicia	1.14	0.50	0.80	1.50
City of Dixon	0.91	0.93	0.85	0.50
City of Fairfield	1.40	0.57	1.50	1.27
City of Rio Vista	0.65	1.50	0.50	0.74
City of Suisun	1.33	0.59	0.51	1.26
City of Vacaville	1.19	0.71	1.17	1.42
City of Vallejo	1.50	0.60	1.02	0.61
Unincorporated Solano County	0.50	0.53	0.53	0.98

## TRANSIT CONNECTIVITY

Availability of transit service is a key consideration in siting housing because transit allows residents to access jobs and services without generating vehicle trips. The Transit Connectivity factor scoring was prepared by STA staff and consultants and involved an assessment of each jurisdiction's Ferry, Rail, Solano Express Bus, and Local Transit (including demand response and First/Last mile connectivity) service connectivity. Ferry, Rail, and Solano Express service were weighed equally with a maximum score of 3 each, while the maximum score for Local Transit was set at 2, for a total possible score of 11.

## DEVELOPMENT CAPACITY

While the Base Allocation uses the jurisdiction's existing housing as a measure of potential for future growth, the jurisdictions in Solano County do not have equal capacity for future development. The Development Capacity factor uses information from jurisdiction's current general plans to assess how many additional housing units can feasibly be accommodated in the jurisdiction.

## FUTURE JOBS

The availability of jobs in a community is an important consideration in siting housing, since residents need access to jobs for economic reasons, and the proximity of jobs to residents minimizes travel time and vehicle miles traveled (VMT). The Future Jobs factor data derived from each jurisdiction's share of the ABAG region's total future jobs, based on year 2050 forecast from Plan Bay Area 2050.

## CHILD POVERTY STATUS

The Percent of Children Living Above Poverty Level measure uses 2013–2018 ACS data prepared by the U.S. Census Bureau. This measure was considered because it has been recognized as a strong indicator for evaluating the level of economic stability and opportunity for families with children in a population. In addition, childhood poverty status has implications for positive life outcomes.

## FACTOR NORMALIZATION

Each of these five selected factors is normalized on a scale of 0.5 to 1.5 (as shown in **Table 2**). The normalized scale serves to support ease of computation and comparison of factors among each other, and the range of the scale (0.5 to 1.5) is large enough to impact the distribution of housing units by adjusting them up (any score between 1 and 1.5) or down (any score between 0.5 and 1) from the base allocation, but not so large that the base allocation becomes insignificant. All factors are configured so that higher scores indicate that the jurisdiction is more favorable to support housing as far as that factor is concerned, while lower scores indicate less-favorable conditions for housing. For example, jurisdictions with better transit connectivity receive higher scores for the Transit Connectivity factor and jurisdictions with more children living in poverty receive a lower score for the Childhood Poverty Status factor resulting in more housing units assigned to jurisdictions with better transit connectivity and fewer children living in poverty.

## FACTOR WEIGHTING

Following selection of the factors, the methodology assigns weights to each. These weights establish what percentage of the total allocation will be distributed based on that factor. The Solano County Subregion choose to place the greatest weights on Transit Connectivity—recognizing the link between transit connectivity and greenhouse gas emissions reduction, quality of life, and fair housing goals—and Development Capacity—because capacity is considered a prime barrier to housing construction. Though both are high

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priorities for the subregion, Future Jobs and Child Poverty Status were assigned slightly lesser weights. The weights assigned to each factor are shown below:

- Transit Connectivity – 35%
- Development Capacity – 35%
- Future Jobs – 15%
- Child Poverty Status – 15%

**Table 3** shows the resulting factor-adjusted allocations for each jurisdiction.

**TABLE 3 BASE ALLOCATION AND FACTOR ADJUSTMENT**

Jurisdiction	Base Allocation	Factor Adjusted Allocation	Net Change
City of Benicia	791	712	79
City of Dixon	458	429	29
City of Fairfield	2,768	2,992	(224)
City of Rio Vista	320	369	(49)
City of Suisun	676	629	47
City of Vacaville	2,456	2,626	(170)
City of Vallejo	3,019	2,921	98
Unincorporated Solano County	505	314	191
TOTAL	10,992	10,992	-

### 3. INCOME ALLOCATION METHODOLOGY

The Subregional Share of housing determined by ABAG includes both a total number of housing units and a distribution of those units across four affordability tiers: very low-income, low-income, moderate-income, and above-moderate income. Once the overall allocation for each jurisdiction is set, each jurisdiction's housing unit allocation must be distributed among the four income tiers and the sum allocation in each income tier across all jurisdictions must equal the total amount set by ABAG for the subregion. The Solano County Subregional Share by income tier, as assigned by ABAG, is shown in **Table 4**.

**TABLE 4 SOLANO SUBREGIONAL INCOME TIER ALLOCATION**

Very Low	Low	Moderate	Above Mod	Total Units
2,803	1,612	1,832	4,745	10,992
25.5%	14.7%	16.7%	43.2%	100.0%

**Note:** Due to rounding, percentages may not total precisely.

The methodology uses the following process to distribute the units by income tier to each jurisdiction. Each numbered step is accompanied by a bulleted description of the justification and relevant background to that step, where appropriate.

1. Determine the current distribution of household income tiers for each jurisdiction.
  - » This step uses data from the 2014–2019 ACS.
2. Set the Income Adjustment Factor to calculate the percentage of each jurisdiction's total allocation to be distributed across each income tier, such that the subregion makes progress toward an equal distribution of income tiers over the long-term.
  - » The region aims to move toward an equal housing unit income distribution across all jurisdictions. To achieve this, jurisdictions with the greatest percent of units in any one tier would receive a lesser allocation of units in that tier and vice-versa.
  - » An income adjustment factor set equal to 100% would result in all jurisdictions receiving the same percent allocation of units in each income tier, equal to the percent assigned by ABAG (e.g. 25.5% in the very low-income tier). The higher the Income Adjustment Factor, the greater the shift in income allocations toward a more equal distribution of housing units by income tier.
  - » The Solano County Subregion selected an income adjustment factor of 150%.
3. Adjust the allocations by income tier to ensure that the total of all jurisdictions' allocations in each income tier is equal to the total assigned in Subregional Share from ABAG.
  - » Step 2 results in an excess of units assigned in the very low- and above moderate-income tiers and a shortage of units in the low- and moderate-income tiers.
  - » To adjust the total very low- and moderate-income allocations, those jurisdictions whose originally assigned percent allocations exceeded the percent allocation of Subregional Share assigned for that tier, received proportional adjustment down based on the following formula:  $(\text{original tier allocation}) - ((\text{original tier allocation}/\text{sum of all tier allocations to be adjusted}) * \text{total excess allocation for the income tier})$ .
  - » To adjust the moderate-income allocations, those jurisdictions whose very low-income allocations were reduced receive increases proportionate to the jurisdictions very low-income reduction.
  - » Finally, the moderate-income allocations were adjusted by simply subtracting the new allocations in the very low-, low-, and above moderate-income tiers from the jurisdiction's total unit allocation.

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The final distribution of units across all income tiers is shown in **Table 5**.

**TABLE 8 INCOME DISTRIBUTIONS BY JURISDICTION**

Jurisdiction	Very Low		Low		Moderate		Above Moderate		Total Housing Units
	%	Housing Units	%	Housing Units	%	Housing Units	%	Housing Units	
City of Benicia	28.2%	200	17.0%	121	16.5%	117	38.3%	273	712
City of Dixon	27.1%	116	14.9%	64	15.2%	65	42.9%	184	429
City of Fairfield	25.9%	774	15.2%	453	17.6%	525	41.4%	1,239	2,992
City of Rio Vista	24.4%	90	12.5%	46	15.1%	56	48.0%	177	369
City of Suisun	25.8%	162	15.5%	97	15.8%	100	42.9%	270	629
City of Vacaville	26.1%	685	15.6%	410	15.7%	413	42.6%	1,118	2,626
City of Vallejo	23.8%	695	12.7%	371	17.1%	501	46.4%	1,354	2,921
Unincorporated Solano County	25.7%	81	15.6%	49	17.6%	55	41.1%	129	314
<b>HCD Requirement</b>	<b>25.9%</b>	<b>2,803</b>	<b>14.9%</b>	<b>1,612</b>	<b>16.5%</b>	<b>1,832</b>	<b>42.8%</b>	<b>4,745</b>	<b>10,992</b>

#### 4. STATUTORY OBJECTIVES

In compliance with California law, the methodology furthers all statutory objectives, as outlined herein.

**Objective 1.** *Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.*

As described above, the methodology for allocating units in each income tier supports a redistribution of units, such that the jurisdictions that currently have a lesser share of low- and very low-income units receive a larger allocation. The methodology allocates units in all four income tiers to each of the subregion's eight jurisdictions.

**Objective 2.** *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the California Air Resources Board pursuant to Government Code Section 65080.*

The methodology allocates a greater share of units to incorporated, urbanized cities. Moreover, two of the factors used in the methodology prioritize transit connectivity and proximity to future jobs to encourage efficient development patterns and support efforts to minimize vehicle miles traveled and greenhouse gas emissions.

**Objective 3.** *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

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The methodology concentrates the majority of housing in the jobs-rich cities of Fairfield, Vacaville, and Vallejo to support a good jobs-housing balance.

**Objective 4.** *Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*

The methodology's distribution of housing units by income tier allocates a lower proportion of housing units by income category to jurisdictions whose existing share of units in that income tier is larger than the regional average. Similarly, the methodology allocates a greater proportion of units by income category to those jurisdictions whose existing share of units in that income tier is smaller than the regional average. As a result, all jurisdictions are assigned housing units by income tier at levels that would move their share of units by income tier closer to the regional average once constructed.

**Objective 5.** *Affirmatively furthering fair housing.*

The Solano County Subregion addresses the objective of affirmatively furthering fair housing by including the Child Poverty Status as a factor in the methodology. The Child Poverty Status factor indicates the three jurisdictions with the greatest opportunity are Benicia, Vacaville, and Fairfield. While the City of Benicia's limited capacity constrains the potential for new growth, the Cities of Vacaville and Fairfield receive two of the highest overall allocations. According to the State of California, this objective is also concerned with overcoming "patterns of segregation and fostering inclusive communities free from barriers that restrict access to opportunity." The methodology's use of a 150% Income Adjustment Factor makes great strides to address any existing concentrations of poverty and move the subregion toward a balanced integration of residents of all income levels, thereby enabling better access to opportunities for all residents.