

# SOLANO COUNTY SUBREGION 6TH CYCLE REGIONAL HOUSING NEEDS ALLOCATION FINAL 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 Final 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 (in the Bay Area, the regional allocation is administered by the Association of Bay Area Governments, or 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 6<sup>th</sup> 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.

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 Final 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.

## 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 2019 households distribution is based on the 2019 California Department of Finance (DOF) Table E-5 data.

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**. Note, the tables in this Final Methodology document may not sum to the exact totals displayed due to rounding.

**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>

## ALLOCATION FACTORS

Using the base allocation as a foundation, the Final 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
- TCAC/HDC Opportunity Score
- 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
- ABAG 6<sup>th</sup> Cycle RHNA Allocation

After thoughtful consideration of all data sets, the Solano Subregion agreed to use six factors in four categories:

- Opportunity:
  - TCAC/HCD Opportunity Score
- Jobs:
  - Jobs-Housing Balance, and
  - Total Future Jobs
- Regional Planning:
  - ABAG 6th Cycle RHNA Allocation
- Transit Connectivity:
  - AllTransit Performance Score, and
  - Transit Connectivity (as measured by ABAG)

Each of these measures is shown in **Table 2** and described in more detail herein.

**TABLE 2 FACTORS AND SCALED SCORES**

Jurisdiction	TCAC/HCD Opportunity Score	Jobs-Housing Balance	Total Future Jobs	AllTransit Performance Score	ABAG Transit Connectivity	ABAG Draft RHNA Allocation
City of Benicia	1.50	0.83	0.80	1.00	0.50	0.67
City of Dixon	1.47	0.71	0.85	0.68	0.50	0.50
City of Fairfield	0.87	0.81	1.50	1.32	1.25	1.50
City of Rio Vista	1.48	0.51	0.50	0.86	0.50	0.55
City of Suisun	1.38	0.50	0.51	1.44	1.04	0.60
City of Vacaville	1.28	0.77	1.17	1.48	0.50	1.06
City of Vallejo	0.50	0.67	1.02	1.50	1.50	1.46
Unincorporated Solano County	1.22	1.50	0.53	0.50	1.30	0.71

**OPPORTUNITY**

***TCAC/HCD Opportunity Score***

HCD and the California Tax Credit Allocation Committee (TCAC) calculate opportunity scores at the census tract and block group level using 21 indicators: Income, Adult Educational Attainment, Labor Force Participation, Job Proximity, Median Home Value, 12 environmental health/pollution indicators, 4th Grade Math Proficiency, 4th Grade Reading Proficiency, High School Graduation Rate, and Students Living Above the Federal Poverty Level. According to HCD and TCAC, the Opportunity Scores offer “a way to measure place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility”. The Opportunity Score was selected for inclusion in the RHNA methodology to direct more housing to jurisdictions better equipped to support its residents. The Subregional Methodology uses data from the 2020 TCAC/HCD Opportunity Map.

**JOBS**

***Jobs-Housing Balance***

The number of jobs in a community relative to the population or number of housing units impacts the economic opportunity available to residents and the likelihood of residents needing to travel longer distances to reach their places of employment, which has implications for quality of life and greenhouse gas emissions. As part of the regional RHNA development, ABAG produced scores for each Solano County jurisdiction measuring the ratio of jobs to housing units, using data from the U.S. Census American Community Survey (2014-2018) and U.S. Census Longitudinal Employer-Household Dynamics (LEHD) (2017). This factor is used to direct more housing units to jurisdictions with a high number of existing jobs, relative to existing housing units.

### ***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 is derived from each jurisdiction's share of the ABAG region's total future jobs, based on year 2050 projections from Plan Bay Area 2050.

## **REGIONAL PLANNING**

### ***ABAG 6<sup>th</sup> Cycle RHNA Allocation***

In May 2021, ABAG released its Draft RHNA Plan with its Final RHNA Methodology. Though the jurisdictions in Solano County formed a Subregion, ABAG's Methodology includes an allocation for each jurisdiction in the Subregion. Each jurisdiction's allocation under the ABAG Methodology was used as a factor to distribute units in a fashion consistent with the ABAG region.

## **TRANSIT CONNECTIVITY**

Availability of transit service is a key consideration in siting housing because transit allows residents to access jobs and services without being dependent on a personal vehicle or generating vehicle trips. The Solano Subregion considered different measures of Transit Connectivity and found that none accurately represented connectivity as experienced locally. As a result, the Subregion elected to include measures of Transit Connectivity from two different sources: AllTransit and ABAG, to achieve a combined score that was more agreeable locally.

Both measures ranked the Cities of Fairfield and Vallejo highest and the Cities of Benicia, Dixon, and Rio Vista lowest. However, there was more discrepancy between each source's scores of the Cities of Suisun City and Vacaville and Unincorporated Solano County. The Final Subregional Methodology includes both scores as Factors weighted equally, effectively resulting in a combined score that more closely matches the local perception of Transit Connectivity. This pair of factors works to direct more housing units to jurisdictions with better transit connectivity.

### ***AllTransit Performance Score***

AllTransit Performance Scores, prepared by the Center for Neighborhood Technology (CNT), consider connectivity, access to jobs, and frequency of service.

### ***ABAG Transit Connectivity***

The Connectivity Score produced by ABAG considers each jurisdiction's percentage of the region's total acres within Transit Priority Areas (TPAs). ABAG defines TPAs, following the California Public Resources Code (Section 21099), as areas within 1/2 mile of a Major Transit stop, which could be any of the following: existing rail stations, planned rail stations in an adopted regional transportation plan (RTP), existing ferry terminals with bus or rail service, planned ferry terminals with bus or rail service in an adopted RTP, or intersection of at least two existing or planned bus routes with headways of 15 minutes or better during both the morning and evening peak periods.

## **FACTOR NORMALIZATION**

Each of these six 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.

### 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 weight on Opportunity to prioritize fair housing goals. The next highest weighting was assigned to the Jobs (Jobs-Housing Balance and Future Jobs) and Regional Planning categories to address the current imbalance of jobs and housing units in the subregion and support alignment with regional planning efforts. Finally, though it was assigned a slightly lesser weight than other categories, Transit Connectivity (AllTransit Performance Score and ABAG Transit Connectivity score) was assigned a 20 percent weighting recognizing the link between transit connectivity and greenhouse gas emissions reduction, quality of life, and equity. The weights assigned to each category and individual factor are shown below:

- Opportunity—30%: TCAC/HCD Opportunity (30%)
- Jobs—25%: Jobs-Housing Balance (13%), Total Future Jobs (12%)
- Regional Planning—25%: ABAG 6<sup>th</sup> Cycle RHNA Allocation (25%)
- Transit Connectivity—20%: AllTransit Performance Score (10%), ABAG Transit Connectivity (10%)

**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	750	(41)
City of Dixon	458	395	(63)
City of Fairfield	2,768	3,069	301
City of Rio Vista	320	262	(58)
City of Suisun	676	604	(72)
City of Vacaville	2,456	2,543	87
City of Vallejo	3,019	2,865	(154)
Unincorporated Solano County	505	504	(1)
TOTAL	10,992	10,992	-

### MANUAL ADJUSTMENTS

Local agreements and practices in Solano County work to concentrate development in incorporated cities, rather than the Unincorporated County as a means of protecting important farmland, reducing sprawl, and

only growing in locations with the infrastructure to support added population. To that end, the Subregion made additional adjustments to reduce the Unincorporated County’s allocation to 315 units, reducing the Factor Adjusted Allocation by 189 units and redistributing these among select incorporated jurisdictions, namely Dixon, Rio Vista, Suisun, Vacaville, and Vallejo. The resultant allocations by jurisdiction are shown in **Table 4**.

**TABLE 4 FACTOR AND MANUAL ADJUSTED ALLOCATION**

Jurisdiction	Factor Adjusted Allocation	Manual Adjustments	Revised Unit Allocation
City of Benicia	750	-	750
City of Dixon	395	21	416
City of Fairfield	3,069	-	3,069
City of Rio Vista	262	65	327
City of Suisun	604	16	620
City of Vacaville	2,543	52	2,595
City of Vallejo	2,865	35	2,900
Unincorporated Solano County	504	(189)	315
<b>TOTAL</b>	<b>10,992</b>	<b>-</b>	<b>10,992</b>

### 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 5**.

**TABLE 5 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.

The final distribution of units across all income tiers is shown in **Table 6**.



**TABLE 6 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	28.3%	212	16.9%	127	16.4%	123	38.4%	288	750
City of Dixon	27.2%	113	14.9%	62	14.9%	62	43.0%	179	416
City of Fairfield	25.8%	792	15.1%	464	17.6%	539	41.5%	1,274	3,069
City of Rio Vista	24.2%	79	12.5%	41	15.3%	50	48.0%	157	327
City of Suisun	25.8%	160	15.3%	95	15.8%	98	43.1%	267	620
City of Vacaville	26.1%	677	15.6%	404	15.8%	409	42.6%	1,105	2,595
City of Vallejo	23.8%	690	12.7%	369	17.1%	495	46.4%	1,346	2,900
Unincorporated Solano County	25.4%	80	15.9%	50	17.8%	56	41.0%	129	315
<b>HCD Requirement</b>	25.5%	2,803	14.7%	1,612	16.7%	1,832	43.2%	4,745	10,992

#### 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. The distribution of units overall follows a data-driven process informed by regional priorities to co-locate housing where there is Opportunity (30% weighting for TCAC Opportunity Score), Jobs (25% combined weighting for Jobs-Housing Balance and Future Jobs), alignment with regional planning (25% weighting for the ABAG 6<sup>th</sup> Cycle RHNA Allocation) and Transit (20% combined weighting for the AllTransit Performance score and ABAG Transit Connectivity score).

**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, 45% of factor weighting prioritizes Transit Connectivity, proximity to Future Jobs, and Jobs-Housing Balance 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.*

The methodology concentrates the majority of housing in the jobs-rich cities of Fairfield, Vacaville, and Vallejo and includes both Jobs-Housing Balance and Future Jobs as factors in the methodology to support an appropriate balance of jobs and housing units.

**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 TCAC/HCD Opportunity Score as its highest weighted factor (30%) in the methodology. 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.