



Solano Transportation Authority

... working for you!

November 8, 2021

Sent Via Electronic Mail

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Solano County Clerk of the Board
County Administration Center
675 Texas Street, Suite 6500, 6th Floor
Fairfield, CA 94533

RE: Solano County ARPA Funding Letter of Interest

Dear Solano County Board of Supervisors:

The Solano Transportation Authority (STA) requests your consideration of allocating \$2 million to \$4 million in American Rescue Plan Act (ARPA) funding to provide matching funds for the STA's Suburban Housing Incentive Program (SubHIP). As stated in the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Fact Sheet, the virus' impact is disproportionate to low-income families and communities of color, thereby exacerbating systemic health and economic inequities. Affordable housing development was challenging prior to the pandemic; however, STA, working with partnering cities and regional agencies, has demonstrated affordable housing projects can be implemented through partnerships and creative financing as demonstrated by the STA's SubHIP Pilot Program.

The STA, in coordination with the Metropolitan Transportation Commission (MTC), developed the SubHIP pilot program in 2019 to leverage transportation funding for affordable housing developments within Priority Development Areas (PDA). Although the SubHIP pilot program was a limited program of only \$4 million, it will result in over 380 affordable housing units located in two PDAs within close proximity to transit facilities of regional significance located the cities of Fairfield and Vacaville.

The Fairfield Vacaville Hannigan Train Station PDA in the city of Fairfield was approved for 199 affordable housing units which are currently under construction within walking distance to the Hannigan Train Station. The Allison Drive PDA in the City of Vacaville was recently approved for 185 affordable housing units located immediately adjacent to the Vacaville Transportation Center and Solano Express service. These affordable housing projects were not immediately planned to be implemented prior to the financial infrastructure incentives provided by the STA's SubHIP pilot program. Based on feedback from some of the other cities, STA issued a letter of interest to gauge the level of interest in follow up SubHIP effort if additional funding could be identified. Four cities (Dixon, Fairfield, Suisun City, and Vallejo) indicated their interest in another round of SubHIP funding and they collectively identified 10 potential affordable housing projects that would meet the criteria of the SubHIP pilot program.

Recently, the City County Coordinating Council (4Cs) approved the Regional Housing Needs Assessment (RHNA) numbers for Solano County which totals 10,992 new units for the 6th RHNA cycle 2023-2030 which included 2,803 very low units and 1,612 low units countywide. This includes the County of Solano being responsible for 315 units with 80 very low and 50 low units. One of the most common reasons for the difficulty in financing affordable housing projects in Solano County is the relative affordability of housing in Solano County, as compared to the rest of the Bay Area, and the costs of providing the necessary infrastructure for the affordable housing projects.

Earlier this year, the Board of Supervisors' designated the STA to serve as the County Collaborative for Solano County given the transportation and land use planning nexus and STA's efforts with the SubHIP pilot program. In that role, working with the Association of Bay Area Governments (ABAG), STA has partnered with all seven cities and the County to initiate the update of each agency's required housing element. Specifically, six of the cities and the County have partnered with the STA to utilize one planning consultant to save resources and expedite the housing element process which has a deadline of January 2023 for completion. This partnership approach between the STA, the cities and the County is unique and recognized by the State's Housing and Community Development (HCD) Department and ABAG as a great example for other counties to integrate transportation planning into land use planning.

The request for \$2 million to \$4 million from the County's ARPA funding would provide a much needed funding match to offset the cost of critical infrastructure and to continue the SubHIP program, potentially doubling the available funding incentives for affordable housing located in PDAs in close proximity to regional transit centers. This funding could be utilized to leverage future transportation funding from STA and housing funding from the ABAG and HCD.

Thank you for your consideration. Feel free to contact me at (707) 424-6075 or dkhalls@sta.ca.gov or Robert Guerrero, STA's Director of Planning, at (707) 399-3211 or rguerrero@sta.ca.gov if you have any questions regarding this request.

Sincerely,



Daryl K. Halls
Executive Director

Cc: STA Board Members
Birgitta Corsello, County Administrator, County of Solano
William Emlen, Assistant County Administrator, County of Solano
Ian Goldberg, Budget Officer, County of Solano