APPENDIX E: REGIONAL AND MUNICIPAL HOUSING ALLOCATION METHODOLGIES FOR THE WINDHAM REGION

REGIONAL HOUSING TARGET APPORTIONMENT

In accordance with the Vermont HOME Act (2023) and Act 181 (2024), Windham Regional Commission (WRC) developed an approach to breaking out the regional housing target allocation provided in the Statewide Housing Needs Assessment (SHNA) with respect to various housing stock characteristics, including price, quality, unit size or type, and geography. WRC analyzed Census housing stock data and made informed assumptions to create the allocations included in the plan. An overview of the analytical approach for each characteristic is provided below.

PRICE

WRC analyzed the percentage of occupied households in specific income brackets relative to the area median income (AMI) for Windham County ($65,473). For example, 2,425 households in the region fell between 30 and 50% of the AMI in 2023 according to the Census. From here, WRC calculated the percentage of households in each income category that were housing cost-burdened (i.e., households that spent more than 30% of their income on housing). Comparing the two datasets highlighted the gap between the number of households in each income band and the units affordable to them, particularly among owner-occupied households. This influenced the target allocation, which is weighted toward affordable housing units.

QUALITY

Housing quality is not defined in the HOME Act, so WRC interpreted this to mean the percentage of the regional housing target that would constitute new construction vs. rehabilitation. The Windham Region has an older housing stock than Vermont as a whole, and a statistically significant percentage of households that are vacant due to disrepair. Given this, WRC decided to allocate a notable percentage of the housing target (20%) toward rehabilitation, recognizing that unit conversion, renovation, and further subdivision will help close current and future gaps. That said, supplying more than 15,000 housing units above the current figure will require a significant amount of new construction (80%).

UNIT SIZE OR TYPE

WRC reviewed Census data on household size for occupied units in the region and compared it with data on the number of bedrooms in existing dwelling units to understand the gap between unit supply and demand. Overall, the Windham Region has a considerable number of 3-bedroom units, and to a lesser extent, 2-bedroom and 4-bedroom units. In comparison, a large majority of renter- and owner-occupied households are 1- or 2-person households.

WRC's housing target figure was allocated to address this discrepancy accordingly.

GEOGRAPHY

Act 181 requires Regional Plans to encourage intensive residential development in Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas, and that a substantial majority of the housing needed to reach regional housing targets should be developed in these areas. WRC allocated a substantial majority (60%) of the regional housing target toward Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas. 25% was assigned to the Rural – General land use category due to the region's historic development pattern, while the remaining areas were given smaller apportionments.

MUNICIPAL HOUSING TARGET DISAGGREGATION

The following methodology describes the steps that WRC took to disaggregate regional level housing targets to municipalities in accordance with the HOME Act and Act 181. Municipal plans will need to include a recommended program for public and private actions to address housing targets identified by WRC. The purpose of the housing targets is to set a goal for the region and municipalities to provide needed housing.

Statewide and regional housing production targets were provided to Vermont's Regional Planning Commissions by the Vermont Housing and Finance Agency (VHFA) as part of a Statewide Housing Needs Assessments (SHNA). Appendix 1 to the SHNA includes the full list of statewide and regional housing targets, as well as the accompanying methodologies, data sources, and population projections.

The SHNA presents targets for 2030 and 2050. For each target year, the SHNA establishes both an "upper" and a "lower" housing target based on different population projections and assumptions. Housing targets were then distributed proportionally to regions based on the number of households in each region in 2020.

Housing targets for the Windham Region were disaggregated to towns using a weighted mix of **town population**, **existing housing stock**, and **infrastructure**. In addition, WRC used a modifier to reduce the housing target allocation for highly rural towns with minimal capacity to support new housing production.

POPULATION – 40% OF TARGET ALLOCATION

Town population was examined as a central factor in the allocation of municipal-level housing targets. This portion of the regional housing target (40%) was disaggregated to municipalities based on each community's 2020 population.[1]

[1] Data Source: U.S. Decennial Census (2020).

HOUSING STOCK – 30% OF TARGET ALLOCATION

The number of year-round occupied housing units was determined for each town in the Region, and used as a basis for a notable percentage (30%) of the regional housing target allocation.[2]

WATER & SEWER INFRASTRUCTURE – 30% OF TARGET ALLOCATION

WRC evaluated wastewater and drinking water infrastructure as part of the housing target allocation exercise. Water and sewer infrastructure are vital for enabling housing production at scale and meeting Vermont's growing housing needs. To reflect this, local infrastructure was quantified and used to determine 30% of each town's housing targets.

Several variables were used to develop a weighted scoring system (outlined below) as part of this analysis. WRC compiled information on different infrastructure systems in towns throughout the Region.[3] Existence of wastewater/drinking water infrastructure, geographic service area, system design capacity, and remaining infrastructure capacity were evaluated and incorporated into a weighted scoring system. The scoring system ranks towns on a scale of 0-100, with 0 allocated to towns with no water or sewer infrastructure, and 100 allocated to Brattleboro, which has the most infrastructure in the Region.

INFRASTRUCTURE SCORING SYSTEM

Brattleboro = 100

- Brattleboro Water Department
    - Capacity: 3 million gallons/day (MGD)
    - Remaining Capacity: 53-60%
- Brattleboro Wastewater Treatment
    - Capacity: 3 MGD
    - Remaining Capacity: 50%
- *Rationale*: Brattleboro has more extensive wastewater and drinking water infrastructure than any other town in the Region. They were assigned the maximum infrastructure score of 100 for this exercise.

Rockingham = 70

- Bellows Falls Water Department
    - Capacity: 1 MGD
    - Remaining Capacity: 70%
- Bellows Falls Wastewater Treatment

[2] Data Source: U.S. Decennial Census (2020).
[3] Data Source: Information provided by town offices, fire districts, and water providers.

    - Capacity: 1.4 MGD
    - Remaining Capacity: 33%
- Saxtons River Wastewater Treatment
    - Capacity: 0.105 MGD
    - Remaining Capacity: 50%
- *Rationale*: Rockingham has considerably less water and sewer infrastructure than Brattleboro, but more than the vast majority of towns in the Region. They were given the second highest score on this scale of 70.

Wilmington = 35

- Wilmington/Cold Brook Fire District Water System (Base and Golf Tracts)
    - Combined Capacity: 0.19 MGD
    - Remaining Capacity: ~75%
- Wilmington Water District
    - Capacity: Varies from 0.19-1.4 MGD
    - Remaining Capacity: 69%
- Wastewater Systems (Cold Brook FD & Wilmington Village)
    - Combined Capacities: 0.214 MGD
    - Remaining Capacity: ~20%
- *Rationale*: Wilmington has several moderately-sized infrastructure systems, but the Town's wastewater infrastructure has much less capacity than those of Rockingham and Brattleboro. The Town is also pursuing a project to significantly expand the water and wastewater service area adjacent to its downtown. Wilmington was assigned a score of 35 to reflect this.

Putney = 20

- Putney Water System
    - Capacity: 0.1 MGD
    - Remaining Capacity: ~20%
- Putney Wastewater Treatment
    - Capacity: 0.1 MGD
    - Remaining Capacity: 50%
- *Rationale*: Putney has wastewater and drinking water infrastructure, but the design capacity of its systems is much smaller than those of Wilmington and the other aforementioned towns. but They were assigned a score of 20.

Whitingham & Dover = 15

- Whitingham Wastewater Treatment
    - Capacity: 0.0123

    - Remaining Capacity: 57%
- West Dover North Branch Fire District #1 Wastewater Treatment
    - Capacity: 0.475
    - Remaining Capacity: 60%
- *Rationale*: Whitingham and Dover have wastewater, but no public drinking water infrastructure. With only partial infrastructure, they are better suited to support housing than towns without any, but not overwhelmingly so. Both towns were given a score of 15.

Readsboro = 10

- Readsboro Village Water
    - Capacity: 0.045 MGD
    - Remaining Capacity: 60%
- Readsboro Wastewater Treatment
    - Capacity: 0.075 MGD
    - Remaining Capacity: 57%
- *Rationale*: Readsboro has both water and wastewater infrastructure, although these systems are considerably smaller than other towns on the list. Readsboro was assigned a score of 10 to reflect this.

Winhall & Stratton = 7.5

- Winhall-Stratton Fire District (Wastewater)
    - Capacity: 0.83
    - Remaining Capacity: 70%
- *Rationale*: Winhall and Stratton have wastewater, but no water infrastructure. The wastewater system is managed by a Fire District and primarily serves development at the Stratton Mountain ski resort and surrounding areas. They were assigned a score of 7.5.

Guilford & Westminster = 5

- Guilford Water and Wastewater System (extension of Town of Brattleboro Water and Wastewater Systems)
- Westminster Water and Wastewater System (extension of Rockingham's systems)
- *Rationale*: Guilford and Westminster do not have their own wastewater or drinking water infrastructure, but benefit from extensions of neighboring towns that do. For both communities, the geographical area served by this infrastructure is limited. Guilford and Westminster were assigned a score of 5 with an understanding that expanding these systems in the future might be more feasible than building entirely new systems in other parts of the Region.

All towns with no water or sewer infrastructure were given a score of 0 for this percentage of the housing target allocation.

All of the town infrastructure scores were summed, then each town's individual score was divided by the total to result in a percentage. The resulting percentage determined how much of the final 30% each town was allocated.

RURAL CAPACITY MODIFIER

Several towns in the region are remote, highly rural, and possess a combination of the following characteristics:

- Minimal viable terrain for new construction
- Small population (Less than 800 population)
- No defined center or collection of structures
- Limited access to community services

These towns include:

- Athens
- Brookline
- Halifax
- Searsburg
- Somerset

Recognizing the severe constraints on housing development in these communities, WRC applied a blanket modifier to reduce the housing allocation for the above towns by 25% after the other analyses were completed. For each of the five towns listed above, the difference between the original allocation and the reduced target was distributed proportionally across the remaining 22 towns.