

Memorandum

To: Miro Weinberger, Let's Build Homes Executive Chair

From: Ari D'Arconte and Sammy Teal, University of Vermont

Date: April 21, 2025

Re: Vermont's Water Infrastructure Needs to Achieve 30,000 Homes Goal

Background and Need: Lack of infrastructure

In order to reach Vermont's goal of 30,000 new homes by 2030, there are serious considerations to be made about how the current water infrastructure across the state is able to provide for new constructions as well as work efficiently for existing buildings. Without proper infrastructure, immense time and money is added to the already difficult task of new construction in the state, particularly when combined with the roadblocks that are created by Act 250. So, areas within Act 250 exemption that are considered priority housing projects within the buffer are some of the most important in regard to ensuring that development is possible.

Overall, Vermont is severely underserved by water infrastructure and most municipalities do not have municipal wastewater systems and many are not fully completed. Currently, more than 200 villages lack community wastewater disposal systems and more than 100 do not have public water systems. Businesses and residents alike that rely on wells and septic tanks, which have limited capacity, make it extremely challenging to allow for economic development and the construction of more businesses and housing to accommodate all income levels. This is unacceptable for the development that needs to take place in order to meet Vermont's growing housing demand.

Map overlay analysis: Act250 temporary exemption and existing water infrastructure

The Livability Map is a Vermont project on state-wide zoning that combines data on Vermont zoning, wastewater, and flood basins. However, this project is not complete as it is extremely new and hasn't been done before. We followed the format of this project and by downloading the public data from both the ANR GIS Vermont Wastewater Infrastructure map and the Interim Act 250 exemptions map, using ArcGIS, we were able to overlay the maps and get a view on how the towns of Vermont are served by water infrastructure and identify the shortcomings.

Looking specifically at Brattleboro in figures 1 and 2:

- There is a clear gap in the Act 250 exemption area and the sewer service area. 46.3% of the area is within the Act 250 exemption priority housing area and is not within the sewer service area, and only 38.9% of the area do they overlap.

Similarly in figures 3 and 4, depicting Montpelier:

- There again is a clear boundary where the existing exempted area is not served by sewage. 50.1% of the Act 250 exemption area is not within the sewer service area and 44.3% is within the sewer service area.

In both cases it can be seen how the sewer service area goes beyond the exemption areas:

- 14.7% of Brattleboro's sewer service area is not within the exemption area
- 5.6% of Montpelier's sewer service area is not within the exemption area

If the goal of the Act 250 exemption areas is to outline priority housing projects, and those areas are not completely serviced by water infrastructure, this will make the process more expensive and time consuming creating real barriers to new development. The exemption areas should cover all existing sewer infrastructure.

Unfortunately, almost two thirds of Vermont's villages are without adequate or any public wastewater systems, hindering us from being able to map the overlap in those areas, and many are also not exempt from Act 250. The ANR GIS Vermont Wastewater Infrastructure map has significant gaps and is incomplete.

- 157 municipalities have no municipal wastewater systems and 22 that have municipal wastewater systems mapping not complete or partially complete. Only 76 have municipal wastewater systems that are completely mapped.

These gaps do not make those missing areas any less important in the goal of 30,000 new homes. Towns such as Westford, Montgomery, and Wolcott are facing this reality of infrastructure bottlenecks in their development, and in small towns such as these there has been more pushback from residents due to the implications of the high costs of needing to build new infrastructure.

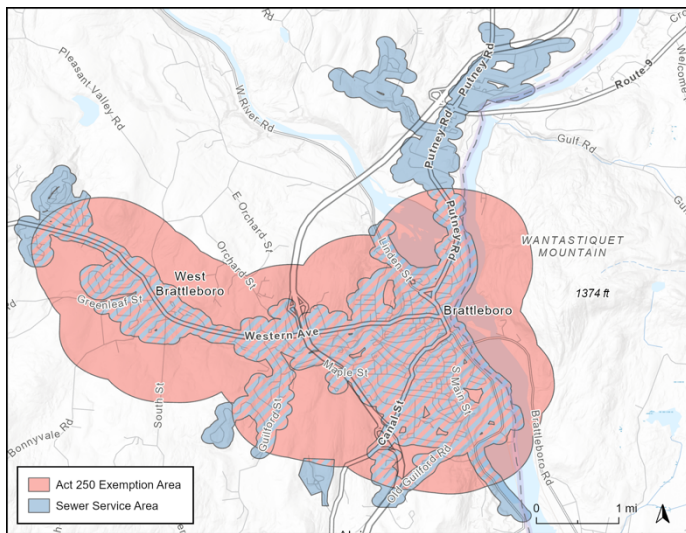


Figure 1

Brattleboro

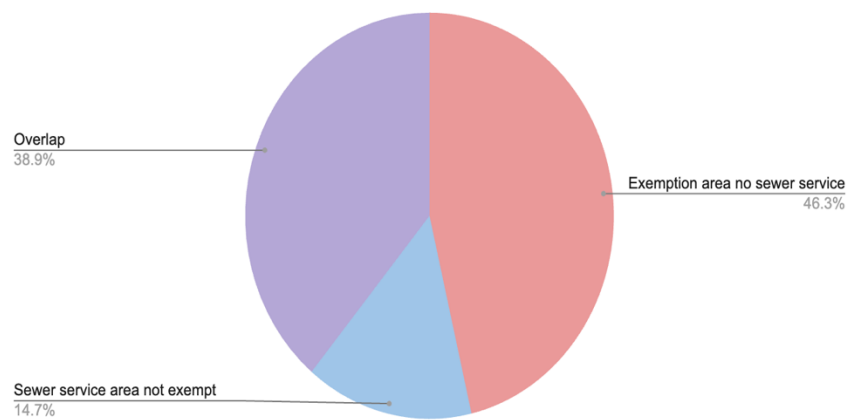


Figure 2

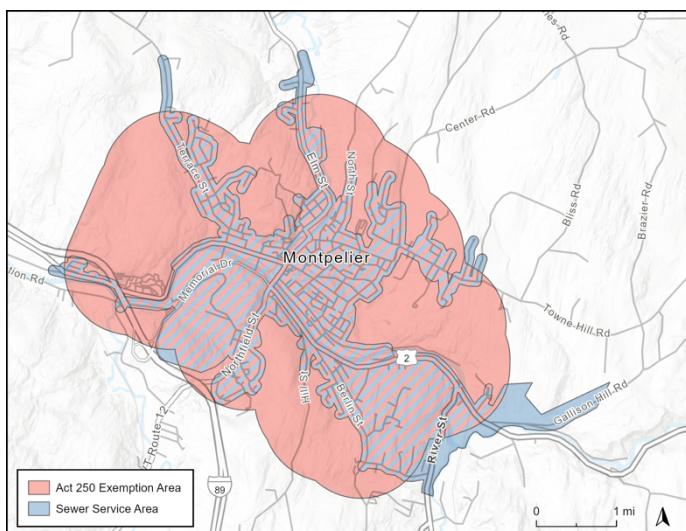


Figure 3

Montpelier

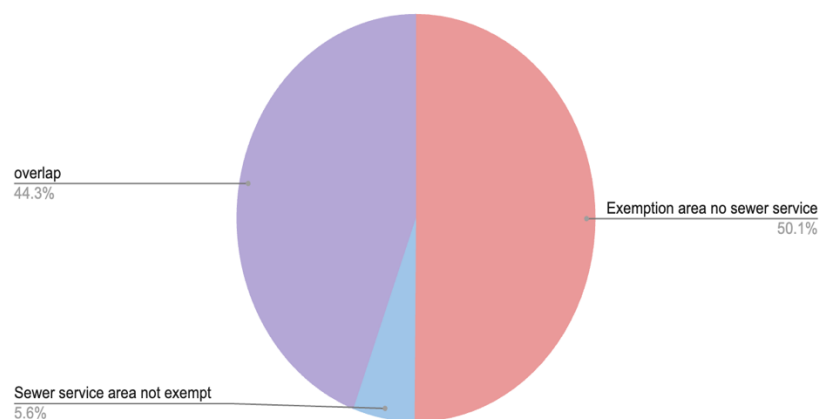


Figure 4

Financial plans and Recommendations

This map analysis of the Act250 temporary exemption map shows significant gaps in how the exemption areas line up with existing infrastructure and we believe it can be a

significant tool to inform the permanent maps. If the goal of the legislature is to have exemption areas comparable to existing infrastructure, there needs to be more analysis such as what we conducted. As planners are drawing these areas for the permanent map, the ANR GIS Vermont Wastewater Infrastructure map needs to be completed as well as explicitly reviewed to ensure that proper boundaries are being made.

In regard to the area within the temporary exemption that is not covered by water infrastructure and the overall lack across Vermont, we believe that there needs to be a statewide initiative to fund water infrastructure projects at the municipal level. One proposed financing solution is [Tax Increment Financing](#). This plan will use property tax revenues to help builders repay loans taken out to finance public water infrastructure projects.

Governor Phil Scott's Administration is working to pass the Pathway to Accelerate and Transform Housing ([PATH](#)) for Vermont proposal. This proposal allocates 9 million dollars into a revolving loan fund to offer low-interest financing for infrastructure projects. It also includes some tax-increment financing plans to help smaller municipalities fund water infrastructure. We believe that the PATH proposal is a great first step in achieving the state's water infrastructure needs and we recommend that through PATH. In conjunction with this, we recommend instating a minimum number of affordable and multifamily homes be established to be built along existing water infrastructure.

While larger municipalities have an easier time achieving funding for public infrastructure projects, it is imperative to not leave smaller towns and villages behind in terms of water infrastructure. The [Organizing Village Wastewater Solutions](#) playbook, created by Vermont Department of Environmental Conservation and Department of Housing and Urban Development, provides great ways to propose and fund municipal water infrastructure. While the playbook does outline funding strategies, we hope to combine those with the PATH loans and tax increment financing in order to achieve statewide water infrastructure needs.

Overall, Vermont is currently lacking in ways to fund municipal water infrastructure projects. We ask legislators to support tax increment financing and Governor Scott's PATH plan as initial ways to address Vermont's water infrastructure needs. However, this is just the beginning. As emphasized by the lack of existing infrastructure in temporary Act 250 exempt zones, there is a much greater need for funding. We hope that continued efforts are put into increasing existing funding pathways as well as creating new sources of financing for municipal water infrastructure and further water infrastructure analysis is done to inform the drawing of the permanent Act250 exemption map.

Bibliography

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Organizing Village Wastewater Solutions: A Workbook for Community Leaders
[PowerPoint Presentation](#)

Pathway to Accelerate and Transform Housing (PATH) for Vermont
[Administration Housing Proposal](#)

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<https://verso-uvm.github.io/Vermont-Livability-Map/>

Vermont Housing Developers Want Aid for Projects, 2025. Seven Days.
[Vermont Housing Developers Want Aid for Projects | Seven Days Vermont](#)