Early Questions to Ask Housing Developers Seeking CHIP Financing

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When a housing developer comes to a town with a new idea, it can feel exciting but also a little overwhelming. Town leaders want to support good projects, but they also need to make sure the project is safe, fair, and helpful for the whole community. This is especially true when a developer asks about using CHIP financing. To help towns feel confident and prepared, we've put together a list of simple, important questions that can guide early conversations with developers and help communities make choices that support safe, strong, and welcoming places to live for years to come.

Each question includes why it matters and what to listen for in the answer. Click on the question to view that information.

1. What is the full vision for your project?

Why this matters:

You need to understand what the developer wants to build so you can see how it fits with your community.

Listen for:

Clear details about the number of homes, types of housing (apartments, single-family, mixed-use) and the overall look and feel. Watch for vague answers; they can signal the plan is not fully developed.

2. What stage is your project in right now?

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Why this matters:

Some projects are just ideas, while others are ready to move forward. This affects risk and timing.

Listen for:

Mentions of sketch plans, engineering work, permits, or land control. Projects further along are usually more reliable and ready for municipal discussion.

3. Why are you seeking CHIP financing?

Why this matters:

CHIP funds are meant to support projects that create affordable housing and would not happen "but for" the funding.

Listen for:

A clear explanation of the funding gap. The developer should explain why the project is not financially feasible without help, not just that funding would make it easier. Developers should show they've explored other funding options.

4. What infrastructure is needed for this project?

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Why this matters:

CHIP financing is focused on infrastructure like roads, water, sewer, and utilities that enable a housing development.

Listen for:

Specific infrastructure needs and cost estimates. Be cautious if the developer cannot clearly explain what is needed or why. If the infrastructure will be privately owned and privately used, ask what the community benefit will be.

5. How much CHIP funding do you think the project will need?

Why this matters:

You need to understand the scale of the request and how it compares to the total project cost.

Listen for:

A rough cost estimate and how the developer calculated it. Look for reasonable proportions, not requests that seem too large compared to the project. Early in CHIP discussions, numbers will be fluid, but they should demonstrate a need.

6. What other funding sources are part of your project?

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Why this matters:

Strong projects usually have multiple funding sources.

Listen for:

Bank loans, equity, grants, or other public funds. Be cautious if CHIP is the main or only funding source. The developer should bring a pro forma to discuss, even if it has rough order of magnitude costs.

7. What new property value will the project create?

Why this matters: CHIP financing depends on future property tax growth.

Listen for: Simple estimates of how much the completed project will be worth and how that value will increase tax revenue over time

8. What is your timeline for planning, permitting, construction, and completion?

Why this matters:

This helps the town estimate whether it has the time and resources to dedicate to the CHIP process, when decision must be made and when costs will occur. The town also can weigh the project's costs and benefits against other municipal needs and understand when project benefits will occur.

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Listen for:

A realistic schedule with key milestones: design, permitting, construction start, and project completion. Watch for overly optimistic timelines without detail. CHIP financed projects will be public projects, and public projects take more time than developers realize.

9. What types of housing will be included?

Why this matters:

Communities often have goals for affordability, workforce housing, or mixed-income development.

Listen for:

Details about price points, rents, and whether any units will be affordable. Look for alignment with local housing needs.

10. How will this project impact local services and infrastructure?

Why this matters:

More housing can mean more students, more traffic, or more demand for water and sewer services.

Listen for:

Thoughtful discussion of impacts and any plans to reduce strain on local systems.

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11. What are the expected public benefits of this project?

Why this matters:

CHIP financing is an investment. The town should understand the community return.

Listen for:

Benefits like increased housing supply, more housing choice, affordability, job creation, or improved infrastructure. Strong answers will be specific and measurable.

12. What risks could delay or change the project?

Why this matters:

All projects have risks. It's better to understand them early. Towns need to understand what might go wrong before committing public resources.

Listen for:

Honest discussion of challenges like market changes, rising construction costs, or environmental issues. Developers should explain how they plan to manage these risks. Be cautious if the developer claims there are no risks.

13. What experience do you have with similar projects?

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Why this matters:

A developer's track record can show their ability to deliver what they promise.

Listen for:

Examples of completed projects, especially those using public funding or had complex infrastructure needs. Look for success stories and lessons learned.

14. How will you keep the town informed as the project moves forward?

Why this matters:

Good communication helps avoid surprises and builds trust.

Listen for:

Plans for regular updates, meetings, or reports throughout the project. Developers should be open to collaboration.

15. What happens if the project does not move forward?

Why this matters:

You need to understand the downside risk for the municipality.

Listen for:

Clear contingency plans and who is responsible for costs if the project stalls.

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Tips for Municipal Staff and Volunteers

Start with curiosity. You don't need to be an expert. Asking clear, honest questions helps you understand what the developer wants and how the project might affect your town.

Look for plain-language answers. If something sounds confusing or too technical, it's okay to ask the developer to explain it in a simpler way. Good partners will make things easy to understand.

Focus on community benefits. Keep coming back to what the project will do for local residents - more homes, safer streets, better infrastructure, or stronger businesses.

Pay attention to infrastructure needs. CHIP financing is meant to support things like water, sewer, roads, and sidewalks. Make sure the developer explains why these improvements are needed and how they connect to the housing.

Ask about the financial "gap". Developers should be able to explain why the project can't move forward without CHIP support. Listen for real challenges, not just general statements.

Check for readiness. A strong project usually has a sketch plan, a clear timeline, and a team with experience. These signs show the developer is serious and prepared.

Think about long-term impacts. More homes can bring more people, more traffic, and more demand for services. Ask how the project will fit into the town's future.

Keep communication open. Ask how the developer plans to share updates. Regular check-ins help avoid surprises and build trust.

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Remember: you're protecting the public interest! Your role is to make sure the project is good for the whole community. It's okay to take your time, ask follow-up questions, and seek help when needed.

Encourage open and honest conversation. A strong developer will welcome questions and provide clear, thoughtful answers. If answers feel unclear or rushed, it's okay to slow down and ask for more detail.

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