CHIP FAQs - Application & Application Requirements

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Applying for CHIP involves providing information about the project and how the project meets program requirements. Careful planning and complete applications can help the review process move more smoothly. The questions below explain what is needed when applying for CHIP assistance and what communities should expect during the application process.

VEPC's CHIP webpage may have additional FAQs related to this topic.

Is a developer required for a municipality to submit a CHIP application?

Yes, unless the municipality will be the entity developing the housing development site.

What must a municipality do as part of the CHIP application process?

To pursue a housing infrastructure project, a municipality must:

- develop and adopt a housing development plan,
- designate the housing development site on which housing development will occur,
- provide voter notice of a proposed housing infrastructure agreement,
- execute a housing infrastructure agreement,
- hold an indebtedness vote if the municipality will incur debt,
- submit a CHIP Interest Form, and
- apply to VEPC to use tax increment financing for the housing infrastructure project.

What is the first step a municipality should take before developing a CHIP application?

Municipalities must complete a CHIP Interest Form and submit it to VEPC staff for review prior to submitting a full application to VEPC.

When should a municipality submit a CHIP Interest Form?

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There is no deadline to submit the interest form; however, municipalities should submit the form within a year of the CHIP project being "shovel ready".

See VEPC FAQs.

How does a municipality submit a CHIP application?

VEPC uses the State of Vermont Grant Electronic Application and Reporting System (GEARS) online portal for CHIP applications and reporting.

Can municipalities see the CHIP application in advance of applying?

Yes. Municipalities can register for an account in GEARS - or use their existing account - to access and explore the CHIP application at any time. VEPC also published a CHIP Application Portal User Guide to help municipalities navigate GEARS and the CHIP application.

Does the Legislative Body need to approve the CHIP application?

Yes.

What project requirements must be satisfied to obtain approval for a CHIP application?

Projects must satisfy the “But-For” Test, certain process requirements, and the housing development either dedicates at least 60 percent of its floor area to housing or meaningfully addresses the purpose of CHIP.

How long will it take for our CHIP to be approved after we submit an application to VEPC?

It depends. VEPC staff must determine that an application is complete and schedule a site visit. Once the site visit has occurred, VEPC has no more than 90 days to approve or disapprove a CHIP site.

Can a municipality request approval of more than one CHIP site?

Yes.

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Does approval of one CHIP site decrease the likelihood that another CHIP site will be approved?

Generally, no. VEPC can approve multiple CHIP sites in a community.

As VEPC nears the maximum CHIP allocation for a year, it may elect to prioritize approval of CHIP sites in communities with no or fewer approved CHIP sites.

Is there a maximum amount – a cap – on the amount of CHIP projects that VEPC can approve each year?

Yes. VEPC may annually approve not more than $200,000,000.00 in aggregate lifetime education property tax increment retention.

What if a municipality's CHIP application is denied?

If VEPC denies a municipality's CHIP application, VEPC will provide the reason for the denial to the municipality. If resolvable, the municipality may file a new application for VEPC's consideration.

Publication Date

05/20/2026

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Current as of: 11/21/2026