If a proposed housing development project would require the municipality to install infrastructure that serves more than the CHIP Housing Development Site, is the full cost of the project CHIP eligible?

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No, CHIP does not include a proportionality component. Eligible improvements under CHIP are not required to be prorated to the housing development's use of the infrastructure. However, a de-facto proration will be applied based on the potential increment the site could generate. The maximum that site could contribute to the improvement is the amount of new tax revenue the housing development will generate over the increment retention period. The critical piece is that the applicant must demonstrate the improvement is necessary to enable the CHIP housing development, regardless of how many other homes/businesses the improvement may support.

(Answer provided by VEPC staff)

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