

Preparing Municipal Land for Housing Development



When a municipality owns land that could be used for housing, it can be tempting to start by looking for a developer. But doing some work first can help the municipality have more productive conversations and make better decisions.

The municipality does not need to design the housing project before talking with developers. Instead, it should learn enough about the property to understand its opportunities, possible challenges, and community goals.

The amount of work needed will depend on the property. Some municipalities may already have much of this information. Others may need help from planners, engineers, attorneys, environmental consultants, or other professionals.

1. Decide What the Municipality Wants to Achieve

Start by discussing what the municipality hopes to accomplish by developing the property.

Questions might include:

- Is housing the main goal for the property?
- Are there particular community housing needs the project could address?
- Does the municipality have goals for affordable, workforce, senior, rental, or ownership housing?
- Are there other community goals that should be considered?
- How does housing on this property support the municipal plan or other community priorities?



The municipality does not need to decide exactly what should be built. Setting broad goals gives developers direction while leaving room for them to suggest workable ideas.

2. Confirm Ownership and Property Restrictions

Make sure the municipality understands its legal rights and responsibilities for the property.

Review available records to identify:

- property boundaries and ownership;
- deeds and title information;
- easements and rights-of-way;
- leases, covenants, or other restrictions;
- conditions tied to how the municipality acquired the property; and
- other legal issues that could affect development.

The municipality also should understand what process it must follow if it plans to sell, lease, or otherwise make the property available for development.

Municipal counsel can help identify legal requirements and issues that should be addressed before moving forward.

3. Learn About the Site



Gather enough information to understand whether the property appears suitable for housing and what could make development difficult or expensive.

Depending on the property, review:

- property size and boundaries;
- surveys and site plans;
- topography and steep slopes;
- wetlands;
- flood hazards;
- soils;
- road and site access;
- existing buildings or structures;
- environmental conditions; and
- nearby land uses.

Not every question needs to be answered before talking with developers.

Focus first on issues that could prevent housing development or have a major effect on project costs.

If important information is missing, identify what still needs to be studied.

4. Understand Infrastructure

Housing needs infrastructure. Before developer outreach, learn what infrastructure serves the property and whether improvements may be



needed.

Consider:

- drinking water;
- wastewater;
- roads and site access;
- sidewalks and other transportation connections;
- stormwater;
- electricity; and
- broadband and other utilities.

For public water and wastewater systems, find out whether service is available and whether the systems may have enough capacity for additional development.

If major infrastructure improvements may be needed, preliminary engineering can help the municipality better understand possible costs and development limits.

5. Review Zoning and Permitting

Find out what housing can currently be built on the property.

Review:

- the property's zoning district;
- allowed housing types;



- density requirements;
- lot, setback, height, and other dimensional standards;
- parking requirements; and
- other local development requirements.

Also identify major state or federal permits that may be needed.

If current zoning does not support the type or amount of housing the municipality hopes to see, consider whether zoning changes should be explored before seeking a developer.

The goal is not to complete every permit review. It is to identify requirements that could affect whether or how the property can be developed.

6. Test Whether Housing Appears Feasible

A municipality does not need to prepare a developer's detailed financial analysis. But it can be helpful to complete a basic feasibility review before seeking development proposals.

For example, the municipality might estimate a reasonable range of housing units the site could support and consider:

- likely development costs;
- infrastructure costs;
- expected rents or home prices;
- land value;



- major site constraints; and
- possible funding or financing sources.

This early review may show that development is likely to need financial assistance or other support.

The municipality also can begin considering what it might be willing to contribute. Possible support could include municipal land, infrastructure improvements, grants, CHIP financing, or other assistance.

At this stage, the municipality can identify possible options without committing to provide them.

7. Plan How the Municipality Will Work with Developers

Before informal conversations turn into negotiations, establish a clear municipal process.

Decide:

- who will serve as the main municipal contact;
- who will participate in reviewing development proposals;
- who has authority to make decisions;
- how potential developers will be identified;
- whether the municipality will use an RFQ, RFP, or another selection process;
- what information developers will be asked to provide; and
- what criteria will be used to evaluate developers and their proposals.



Also consider what property information will be provided to potential developers. Providing the same reliable information to each developer can help them understand the opportunity and can make proposals easier to compare.

Know When to Stop

Preparing does not mean designing the project for the developer. In most cases, municipalities do not need to complete detailed architectural plans, final engineering, or a final site design before talking with developers. Developers bring knowledge about design, construction, financing, housing markets, and project feasibility. Giving them room to propose different approaches may lead to better solutions.

A useful goal for municipal predevelopment is: **Know the site. Know the constraints. Know the community's goals. Know the process. Leave room for solutions.**

Are You Ready to Talk with Developers?

Before beginning developer outreach, ask:

- What do we want this property to accomplish?
- What do we know about the property's development opportunities and constraints?
- What important questions still need to be answered?
- What, if anything, might the municipality contribute to help make housing possible?
- How will we identify, evaluate, and select a development partner?



The municipality does not need to have every answer. But knowing what is known, what is still uncertain, and how decisions will be made can put the municipality in a stronger position when it begins working with potential developers.

How This Work Can Help With CHIP

If the municipality is considering CHIP, this early work also can help determine whether the property could become a realistic CHIP opportunity. Understanding the site, infrastructure needs, possible housing development, project costs, and municipal goals can make it easier to decide whether to continue exploring CHIP with a developer.

This early work does not mean the municipality has committed to a CHIP project or to a particular developer. It helps the municipality enter those conversations prepared to ask good questions and make informed decisions.

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