Community and Housing Infrastructure Program (CHIP) Policy

Governance, project development, financing, administration, and use of tax increment

Controlling rule. No Town officer, employee, consultant, developer, or sponsor may represent that CHIP funding is approved, incur CHIP debt on behalf of the Town, obligate tax increment, direct-pay an infrastructure cost, or promise reimbursement unless every approval required by Vermont law, VEPC, this policy, and the applicable Housing Infrastructure Agreement has first been obtained in writing.

Policy at a Glance

VLCT roadmap phase	Town action	Decision or completion point
1. Initial Conversation	Explain Town goals and process; receive the developer's concept and requested assistance	Does the project support community goals and deserve further review?
2. Preliminary Review	Screen plans, policy fit, eligibility, municipal capacity, concerns, roles, and missing information	Should the Town continue investing time and resources?
4. Pre-application	Developer presents pre-application to Town Administrator	At a warned Selectboard meeting, the Selectboard will determine whether to accept the pre-application.
5. Due Diligence	Test readiness, eligible costs, increment, but-for need, financing, law, engineering, public benefit, and risk	Is there enough information for a municipal decision?
6. Municipal Decision	Review advice and public input; decide whether to pursue CHIP; establish roles, risk allocation, and agreement terms	Should the Town pursue CHIP for the project?
7. CHIP Application	Complete local approvals; prepare plans and agreements; submit through GEARS; support VEPC review and site visit	Has the project received the approvals needed to proceed?
8. Project Implementation	Complete financing and voter action; establish OTV and accounts; build, inspect, document, and reimburse	Is work advancing under the approved plan and agreements?
9. Long-Term Administration	Track increment and debt; report, audit, monitor agreements, address changes, and close out	Have all program, financing, reporting, and agreement obligations been satisfied?

1. Purpose and Authority

The Town of Georgia adopts this policy to establish a transparent, fiscally responsible, and legally compliant process for evaluating and administering projects under Vermont's Community and Housing Infrastructure Program (CHIP). CHIP is authorized by 24 V.S.A. chapter 53, subchapter 7 and was created by 2025 Act No. 69.

CHIP allows an approved municipality to retain an authorized portion of municipal and education property tax increment generated within a defined Housing Development Site and apply that revenue to eligible financing, infrastructure, and related costs. The Town shall use CHIP only to enable housing development that advances the statutory purpose, aligns with Town plans and public interests, and is supported by a prudent allocation of financial and performance risk.

Policy character. This is an administrative and financial-control policy. It does not itself create a Housing Development Site, authorize a particular project, approve debt, appropriate money, or replace any public hearing, voter approval, contract, permit, procurement, or VEPC requirement.

2. Scope and Controlling Requirements

This policy applies from the first contact concerning a possible CHIP project through the Final Repayment Date and final disposition of all retained tax increment. It applies whether the sponsor is the Town, a developer, or an eligible third-party entity.

If this policy conflicts with an applicable statute, rule, binding VEPC decision or guidance, financing document, or Housing Infrastructure Agreement, the stricter lawful requirement controls. The Town Administrator shall promptly present any material conflict to the Selectboard and Town Attorney for resolution. References in this policy are to the law and guidance in effect when the relevant action is taken.

3. Program Principles

1. Housing first. Infrastructure must directly enable a qualifying housing development and serve a public good.
2. No premature commitment. Town support for exploration is not approval of a project, financing, reimbursement, or land-use entitlement.
3. Public transparency. Material decisions shall occur through properly warned meetings, hearings, and voter action when required.
4. Fiscal protection. The Town shall model downside conditions, identify who bears shortfalls, and avoid relying solely on optimistic increment projections.

5. Documented eligibility. Every CHIP-funded payment must be traceable to an approved cost, a contract or invoice, proof of completion, and the applicable financing plan.
6. Separation of duties. Project certification, payment processing, accounting, and governing-body oversight shall not be concentrated in one person.
7. Ongoing compliance. Affordability, primary-residence, reporting, audit, and agreement obligations continue through the Final Repayment Date.

4. Key Definitions

Term	Meaning for this policy
Affordable Housing Development	A development meeting 24 V.S.A. section 1906, including the required share of affordable units and affordability covenants or restrictions through retirement of the applicable indebtedness.
CHIP Debt or Financing	Debt, related principal, interest, fees, or other authorized borrowing or financing incurred by a sponsor to pay for an approved Housing Infrastructure Project.
Developer	The person or entity undertaking construction, rehabilitation, or renovation of the housing development.
Final Repayment Date	For municipal financing, the date Town CHIP debt is fully repaid; for nonmunicipal financing, the date the Town's contractual reimbursement obligation ends.
Housing Development Site	The approved parcel or parcels encompassing the housing development. The site is created at 12:01 a.m. on April 1 of the calendar year of VEPC approval, and its approved boundaries shall not be changed.
Housing Infrastructure Agreement	The binding agreement among the Town, developer, and any third-party sponsor governing infrastructure financing, housing delivery, performance, documentation, and remedies.
Housing Infrastructure Project	One or more eligible improvements authorized by the Town and approved by VEPC to stimulate the associated housing development.
Original Taxable Value (OTV)	The taxable value of real property within the approved Housing Development Site as of its statutory creation date, certified by the Town's lister or assessor.
Related Costs	Costs qualifying under current law and VEPC guidance that are directly related to creating and implementing the Town's Housing Infrastructure Project. Municipal personnel or departmental costs may be paid only from eligible municipal increment and only as permitted by law.
Sponsor	The municipality, developer, or eligible independent agency undertaking to finance the Housing Infrastructure Project.
Tax Increment	The property-tax revenue attributable to increased assessed value over OTV, calculated and retained only as authorized by law and VEPC.

Term	Meaning for this policy
VEPC	The Vermont Economic Progress Council.

5. Eligibility Standards

5.1 Applicant and Project

The Town is the CHIP applicant. A proposed project may advance only if it is located within the Town, directly supports an identifiable housing development, serves a public good, and can satisfy all statutory and VEPC criteria.

At least 60 percent of indoor floor area is expected to qualify as housing, or the proposal can demonstrate that it meaningfully advances CHIP's statutory purpose.

1. The housing units will be offered exclusively as primary residences through the Final Repayment Date, with biennial verification as required.
2. Unless exempt because it is an Affordable Housing Development, the proposal can satisfy VEPC's but-for test.
3. The developer and sponsor have credible capacity, site control, financing, permitting, and delivery schedules.
4. The proposed site boundaries are legally and administratively workable and no parcel will be divided or bisected contrary to law.
5. The project is consistent with the Town Plan, applicable bylaws, capital plans, and infrastructure capacity; CHIP approval does not substitute for land-use or other permits.

5.2 Eligible Improvements

Subject to current law and VEPC approval, eligible improvements may include utilities; drinking water, wastewater, stormwater, and treatment systems; energy and telecommunications infrastructure; transportation and multimodal facilities; site preparation, acquisition, demolition, brownfield or flood remediation; and professional services directly tied to implementing and constructing eligible infrastructure.

Where an improvement serves users or development beyond the CHIP Housing Development Site, the Town shall require a documented, reasonable allocation method so CHIP finances only the eligible share attributable to the approved housing development.

5.3 Ineligible Costs

1. Routine annual operating, maintenance, or repair expenses;

2. Public transportation operating costs;
3. Vehicles, interior furnishings, and operating equipment not integral to the approved infrastructure;
4. Noncapital assets not expressly authorized by law;
5. Costs outside the approved plan, agreement, financing, or VEPC decision; and
6. Costs lacking adequate procurement, invoice, eligibility, payment, or completion documentation.

6. Governance and Responsibilities

Responsible party	Core responsibilities
Selectboard	Sets Town policy; authorizes project development and application; conducts hearings; adopts the site plan; approves the Housing Infrastructure Agreement; approves the VEPC application; warns voter questions; authorizes contracts and financing within its lawful authority; oversees material amendments and compliance.
Town Administrator	Serves as CHIP program administrator; maintains consistent developer information and intake materials; receives concepts; coordinates VEPC, advisors, and departments; maintains the master file and compliance calendar; prepares Selectboard materials; certifies administrative completeness; and coordinates reports and amendments.
Town Treasurer	Establishes and maintains the segregated CHIP account and official books; controls receipts and disbursements; reconciles increment and financing; supports annual reporting and audit; and releases funds only after required approvals.
Lister/Assessor	Certifies OTV and annual changes in taxable valuation for the life of the site and provides required values to the Treasurer, Selectboard, Department of Taxes, and VEPC.
Town Clerk	Maintains official actions, warnings, minutes, votes, adopted site records, agreements, and other records required to be filed or recorded.
Project Lead/Consultants	Reviews technical scope, cost allocation, schedules, construction evidence, change orders, and completion; provides written certification before payment when assigned.
Town Attorney and Financial Advisor	Review legal authority, agreements, warnings, debt, risk allocation, tax-increment projections, and material amendments. Their review does not displace Selectboard judgment.
Developer/Sponsor	Provides complete and accurate information, maintains required assurances and records, constructs the agreed improvements and housing, documents eligible costs, applies payments to financing, and complies with all agreement, affordability, and reporting obligations.

7. Project Lifecycle and Approval Gates

The Town uses VLCT's seven-phase CHIP roadmap as its high-level review model and the detailed steps below as its internal control process. Moving from one phase or step to the next is never automatic. At every decision point, the Selectboard or Town Administrator, acting within delegated authority, may proceed, pause, request more information, narrow the proposal, or stop review based on community fit, information quality, public benefit, cost, capacity, or risk.

VLCT phase	Detailed policy steps	Primary leadership
1. Initial Conversation	7.1 Developer orientation and concept intake	Town explains goals and discretion; developer presents concept
2. Preliminary Review	7.2 Preliminary feasibility	Town screens; developer supplies early project, site, cost, and financing information
3. Due Diligence	7.2 Preliminary feasibility and 7.3 pre-application coordination	Town evaluates risk and eligibility; developer advances due diligence; parties define roles
4. Municipal Decision	7.4 plan/site, 7.5 agreement, and 7.6 public and local approval	Selectboard decides; developer supports review and negotiates enforceable commitments
5. CHIP Application	7.7 VEPC application and decision	Town applies; developer provides and updates supporting information
6. Project Implementation	7.8 post-approval setup/financing and 7.9 construction/payment	Town administers financing and oversight; developer delivers housing and documents costs
7. Long-Term Administration	Sections 8 through 13	Town manages increment, debt, reporting, audit, compliance, changes, and closeout; developer maintains continuing commitments

7.1 Detailed Step 1 - Developer Orientation and Concept Intake

Information the Town Will Share

The Town Administrator shall maintain a consistent, easy-to-find developer information packet using existing public resources. The packet is intended to help prospective developers decide whether a project is a reasonable fit before either party invests substantial time or money. It should include, as available:

1. the Town Plan, housing priorities, housing action or economic-development strategies, and relevant capital plans;
2. preferred housing types, affordability goals, redevelopment priorities, and mixed-use opportunities;

3. zoning and future-land-use maps, designated areas, utility service areas, transportation access, flood-hazard areas, and known brownfield information;
4. a statement that the Town is willing to consider qualifying CHIP proposals, the kinds of projects the Town seeks to encourage, and the local policies used in evaluation;
5. links to VEPC CHIP materials, VLCT CHIP IN VT resources, zoning and subdivision regulations, permit forms, fee schedules, infrastructure information, and utility contacts; and
6. the Town's primary CHIP contact, planning and zoning contact, Public Works contact, and other relevant municipal or regional-development contacts.

Information Required from a Proposer

A developer, landowner, Town department, or other proposer shall submit a written concept to the Town Administrator. At minimum, the concept shall identify the proposed site; concept plan; anticipated housing program, type, unit count, affordability, and primary-residence use; infrastructure needs; preliminary cost and schedule; development team and proposed sponsor; financing approach; likely permits; and requested Town participation.

The proposer shall also state the status of project readiness, including site control, preliminary engineering, environmental due diligence, financial feasibility, utility planning, and financing progress. The Town may request ownership information, development experience, financial statements, sources and uses, pro formas, market information, or other material reasonably necessary to evaluate readiness, financial viability, and municipal risk.

Early Communication and Financial Expectations

1. A pre-application meeting is informational and is intended to identify fit, information gaps, participants, process, approximate timelines, public-engagement expectations, and next steps.
2. Only the Town Administrator or a person designated by the Selectboard may coordinate official CHIP intake communications on behalf of the Town.
3. Staff shall communicate factual information consistently and shall not promise confidentiality beyond Vermont law, predict land-use approval, negotiate outside authorized meetings, or imply that CHIP, Town borrowing, reimbursement, or a project has been approved.
4. CHIP is not an upfront grant. Only eligible, documented, approved costs may be paid or reimbursed, retained increment may be insufficient, and municipal borrowing or other financing may be necessary.
5. Unless the Selectboard approves otherwise in a lawful written agreement, the proposer is responsible for its own concept, engineering, environmental, legal, financial, and application-development costs.

6. A proposer may be required to enter a development agreement, Housing Infrastructure Agreement, reimbursement or cost-recovery agreement, and performance-assurance documents before the Town proceeds or incurs material expense.

The Town Administrator shall assign a project identifier, create a master file, identify conflicts of interest, document the pre-application meeting, and complete a preliminary screening. Acceptance for screening creates no entitlement, exclusivity, reimbursement right, priority, or commitment of Town funds.

7.2 Detailed Step 2 - Preliminary Feasibility

The Town Administrator shall coordinate a preliminary review with appropriate officials and advisors. The review shall address:

1. CHIP eligibility, public-good nexus, floor-area threshold, primary-residence restrictions, and but-for analysis;
2. consistency with the Town Plan and applicable permitting framework;
3. site boundaries, parcel status, ownership, SPAN information, and anticipated OTV;
4. infrastructure scope, capacity, useful life, ownership, access, maintenance responsibility, and cost allocation;
5. developer and sponsor experience, financial capacity, site control, litigation, defaults, and proposed performance security;
6. a base-case and downside financing analysis, including timing, assessed values, increment, interest rates, construction escalation, coverage, and Town shortfall exposure;
7. alternative funding sources and whether CHIP is necessary and appropriately sized; and
8. estimated Town staff, consultant, legal, engineering, audit, and administration costs and how they will be funded.

Gate 1 - Selectboard direction. The proposal may proceed to full project development only after the Selectboard, in an open meeting and without committing financing, authorizes the Town Administrator to coordinate the CHIP Interest Form and detailed due diligence.

7.3 Detailed Step 3 - Pre-Application Coordination

The Town shall submit the current CHIP Interest Form to VEPC before filing a full application. The Town Administrator shall document VEPC feedback, required studies, expected review path, GEARS access, and any issues that must be resolved. Material changes following pre-application review shall be returned to the Selectboard before substantial additional Town expense is incurred.

7.4 Detailed Step 4 - Housing Development Plan and Site

In coordination with stakeholders, the Town shall prepare a Housing Development Plan containing at least:

1. a description of the Housing Infrastructure Project, housing development, and proposed Housing Development Site;
2. the anticipated floor area devoted to housing and, if below 60 percent, a narrative showing how the development meaningfully advances CHIP's purpose;
3. identification of the developer and sponsor;
4. a tax increment financing plan stating project costs and revenue sources, assessed-value estimates, municipal and education increments, lifetime education increment retention, financing amount and terms, principal, interest, related costs, voter-authorized amount when applicable, other revenues, and plan duration;
5. a pro forma of infrastructure costs and a projection of tax increment;
6. a development schedule listing, costing, and sequencing infrastructure and housing work;
7. a risk analysis and contingency plan for delay, cost overrun, increment underperformance, noncompletion, or developer/sponsor default; and
8. the Selectboard's determination that the development furthers CHIP's purpose.

The site plan shall identify boundaries and included properties and be titled "Proposed Housing Development Site, Town of Georgia, Vermont." Boundaries shall be reviewed by the lister or assessor and Town Attorney before public notice.

7.5 Detailed Step 5 - Housing Infrastructure Agreement

Before application, the Town, developer, and any third-party sponsor shall negotiate a Housing Infrastructure Agreement. It shall be reviewed by the Town Attorney and shall, at minimum:

1. identify all parties, the site, housing development, sponsor, approved infrastructure, schedule, eligible cost categories, and maximum financed amount;
2. obligate retained increment only to authorized financing and related costs;
3. require primary-residence use through the Final Repayment Date and biennial landlord certificates or homestead declarations;
4. state expected floor area, housing units, affordable or moderate-income units, development value, and completion milestones;
5. require invoices, proof of payment, procurement support, construction records, lien waivers when appropriate, and other evidence establishing eligibility and completion;

6. allocate risks for cost overruns, delays, increment shortfalls, default, casualty, foreclosure, ownership transfer, and failure to meet affordability or housing commitments;
7. provide performance assurances, access for inspection and audit, records retention, reporting, indemnity, insurance, remedies, repayment or clawback where lawful, and Town suspension rights; and
8. prohibit material modification without Town and, when required, VEPC approval.

7.6 Detailed Step 6 - Public Process and Local Approval

The Selectboard shall hold one or more public hearings on the proposed Housing Infrastructure Project, Housing Development Plan, site, financing plan, and agreement after public notice. Unless a greater period is required by law, Town charter, or then-current VEPC guidance, notice shall be posted at least 15 days before the hearing in at least two public places within the Town, at the Town Clerk's office, and on the Town website.

After hearing and considering public comment, the Selectboard may adopt the Housing Development Plan and site, approve the Housing Infrastructure Agreement, authorize the VEPC application, and make any required statutory determinations. The adopted site plan shall be recorded with the Town Clerk and provided to the lister or assessor. The Town shall provide legal voters notice of the agreement terms and financing information required by 24 V.S.A. sections 1909 and 1910a.

> **Gate 2 - Local approval.** No application shall be submitted until the Selectboard has approved the required plans, site, agreement, and application in a properly warned meeting and the Town Clerk has assembled the official record.

7.7 Detailed Step 7 - VEPC Application and Decision

The Town Administrator shall submit the complete application and supporting documents through GEARS, coordinate responses to VEPC, host the required site visit, and place material supplemental information before the Selectboard. VEPC will evaluate process compliance, project criteria, affordability, the but-for test when applicable, financial viability, and the proposed retention percentages. Under current law, VEPC acts in writing within 90 days after the site visit.

> **Gate 3 - State approval.** The Town shall not incur CHIP debt, promise reimbursement, obligate increment, issue a notice to proceed relying on CHIP, or make a CHIP direct payment before written VEPC approval and satisfaction of all approval conditions.

7.8 Detailed Step 8 - Post-Approval Setup and Financing

Following VEPC approval, the Town shall complete all approval conditions and establish the implementation record. The lister or assessor shall certify OTV as of the statutory site-creation date and annually certify valuation changes. The Treasurer shall establish the special CHIP tax increment financing account and segregated project accounting.

For municipal financing, each instance of borrowing or other Town debt must be approved by a majority of legal voters present and voting at a duly warned annual or special meeting. Before the vote, the Selectboard shall disclose the amount and type of debt and related costs, principal, interest and fees, debt terms, infrastructure financed, housing expected, and that the Town remains liable for full debt service if increment is insufficient. Terms of any interfund loan must also be disclosed; an interfund loan shall bear no interest.

Municipal indebtedness must be incurred within five years after site creation unless VEPC grants an extension of up to three additional years. A bond anticipation note does not constitute the first incurrence of debt. Nonmunicipal financing shall comply with the approved agreement, VEPC decision, current guidance, and any deadline or notice-to-proceed condition established for the project.

Gate 4 - Financing authorization. No closing or financial commitment may occur until Town Counsel and the financial advisor have confirmed in writing that VEPC conditions, voter action, agreement conditions, procurement, appropriations, and closing documents are complete.

7.9 Detailed Step 9 - Construction, Verification, and Payment

The developer or sponsor shall construct the approved improvements in accordance with the agreement, plans, permits, procurement requirements, and schedule. The Town's designated project lead shall document inspections, progress, change orders, substantial completion, and final completion.

Every request for CHIP payment or reimbursement shall include an invoice package containing the project identifier; vendor and payee; description and date of work; approved cost category; contract, purchase order, or financing reference; proof of payment when reimbursement is requested; evidence of completion; cost allocation where applicable; lien waiver or other assurance when appropriate; and certifications required by the agreement.

Before disbursement:

1. the project lead shall certify that the work or financing charge is complete, conforms to the agreement, and is reasonably valued;
2. the Town Administrator shall certify administrative eligibility, budget authority, and documentation;

3. the Treasurer shall confirm available cash, correct fund and account coding, approved retention limits, and compliance with payment controls; and
4. payment shall proceed through the Town's normal warrant, purchasing, and fraud-prevention procedures. No person may approve a payment to themselves or an affiliated entity.

If tax increment is provided to a sponsor, payment shall be made only upon an invoice for the approved financing, and the sponsor shall promptly confirm in writing that the increment was applied to that financing.

8. Financing and Use of Tax Increment

8.1 Authorized Uses

Subject to the VEPC approval, financing plan, voter action when required, and available funds, retained increment may be used only for:

1. payment of authorized CHIP financing or debt service incurred within the permitted period;
2. eligible related costs;
3. direct payment of an approved Housing Infrastructure Project cost, provided the payment was included in the financing plan and received the same voter approval required for municipal debt; and
4. payment to a sponsor against an eligible financing invoice, followed by written confirmation of application to the financing.

8.2 Retention Percentages and Period

Project category	Education increment	Municipal increment	Key condition
Affordable or moderate-income development	Up to 85%, as approved by VEPC	At least 85%; up to approved amount	Required unit share, income/cost limits, covenants, and primary-residence use
Other qualifying housing development	Up to 75%, as approved by VEPC	At least 85%; up to approved amount	But-for test and all other project criteria

The Town shall retain only the percentages approved by VEPC. Education property tax increment may currently be retained for up to 20 years beginning in the first year debt is incurred for the Housing Infrastructure Project. Municipal property tax increment shall be retained beginning in that first year and only for the period and purposes authorized by law and the VEPC approval. Upon first debt incurrence, the Town shall notify VEPC and the Department of Taxes that the retention period has begun. The Town shall submit the required updated financing plan during the tenth year after site creation so VEPC may continue or reduce the retention percentages.

8.3 Special Account and Excess Increment

The Treasurer shall segregate authorized municipal and education increments in a special CHIP account and in the Town's official books until all financing is paid. Project records shall separately identify original taxable value, current value, tax increment received, financing and related-cost expenditures, direct payments, sponsor reimbursements, interest, remaining commitments, and cash balance.

Excess increment may be used only as allowed by 24 V.S.A. section 1910c, including proportional retention to prepay financing, fund future financing payments, or defease financing. Any balance not lawfully retained shall be distributed to the Education Fund and affected municipal budgets in the proportions required by law. At closeout, all remaining excess shall be reconciled and distributed as required.

9. Monitoring, Reporting, and Audit

9.1 Compliance System

The Town Administrator shall maintain a project-specific compliance calendar and master file. The system shall track VEPC conditions; financing and retention dates; development and infrastructure milestones; permits; inspections; affordability and primary-residence certifications; invoices and payments; annual valuation and increment; agreement performance; amendments; reporting; and audit findings.

9.2 Immediate Notices

Immediately following any CHIP debt incurrence, public vote, or Selectboard vote requiring State notice, the Town shall notify VEPC and the Department of Taxes on the prescribed form and provide the public notice or warning, agenda, minutes, vote tally, public financing information, and other required records.

9.3 Annual Report

On or before February 15 each year, the Town shall submit the prescribed annual report to VEPC and the Department of Taxes. The Town Administrator and Treasurer shall prepare the report, the lister or assessor shall certify valuation information, and the Selectboard shall review the report before submission when practicable. The report shall include all information then required, including:

1. annual and cumulative municipal and education increment generated and retained;
2. financing, debt service, related-cost, direct-payment, and infrastructure expenditures and current balance;
3. projected and actual financing, increment, improvements, development value, and housing units;
4. initial sale and rental prices and the status of applicable State permits;

5. amount of public funds flowing to private ownership or use; and
6. biennial verification of affordability covenants and primary-residence occupancy.

9.4 Annual Audit and Corrective Action

The Town shall ensure the CHIP account and project are included in the Town's annual financial audit. Audit procedures shall verify OTV and current values, incremental revenue, financing and related costs, infrastructure expenditures, sponsor and developer use of funds, allocation of increment, account balances, and compliance with the agreement and VEPC approval.

The Town Administrator shall present any finding, questioned cost, missed deadline, covenant issue, or material variance to the Selectboard promptly with a written corrective-action plan. Payments may be suspended pending resolution. The Town shall cooperate with supplemental VEPC or Department of Taxes requests and audits.

10. Changes and Amendments

No material change may be implemented until the Town determines whether VEPC and renewed local approval are required. The Town Administrator shall report every proposed change to VEPC staff promptly and shall refer potentially substantial changes to the Selectboard and Town Attorney.

Changes requiring advance VEPC review are expected to include, without limitation:

1. an increase of 20 percent or more in the CHIP-funded portion of a project;
2. adding, removing, or substituting an infrastructure improvement;
3. increasing the approved debt ceiling or extending the first-debt deadline;
4. reducing affordable or moderate-income units below the threshold supporting the approved retention percentage;
5. reducing housing floor area below 60 percent;
6. material changes to the Housing Infrastructure Agreement, risk allocation, improvement scope, financing source, or anticipated increment;
7. a material delay, including an anticipated delay of two years or more;
8. bond premium proceeds, payments in lieu of taxes, or negotiated payments not previously approved; or
9. any other change VEPC identifies as substantial.

A substantial-change request shall include a narrative and revised plan, financing plan, and agreement. Revised documents shall be approved by the Selectboard after a properly warned hearing before submission to VEPC. Town approval is always subject to any additional voter authorization required by law.

11. Default, Suspension, and Remedies

The Town may suspend approval, payment, reimbursement, or further performance when documentation is incomplete; a cost appears ineligible; work departs from approved plans; a party is in default; a required covenant, permit, assurance, or insurance has lapsed; a material change lacks approval; or continued performance could expose the Town to unlawful or imprudent risk.

The Town shall provide any notice and cure opportunity required by the Housing Infrastructure Agreement. Available remedies may include withholding payment, requiring corrective work, drawing on security, repayment or offset, specific performance, termination, and any other lawful contractual or equitable remedy. The Town Administrator shall coordinate enforcement with the Selectboard and Town Attorney.

12. Records, Ethics, and Procurement

All CHIP activity remains subject to the Town's current purchasing, grant, accounting and auditing, cash-management, fraud-prevention, conflict-of-interest and ethics, public-records, and meeting policies, as well as applicable law. Where another Town policy is stricter and lawful, the stricter control applies.

1. The Town shall retain the complete master file through the Final Repayment Date and for the longer period required by law, financing documents, VEPC, audit standards, litigation hold, or the Housing Infrastructure Agreement.
2. Officials and employees shall disclose actual or potential conflicts and shall recuse themselves when required. Developer or sponsor relationships shall be documented before selection or approval.
3. Procurement shall be competitive to the extent required by law, funding conditions, and Town policy. Sole-source or emergency procurement must be justified and approved in writing.
4. Confidential or exempt information shall be protected, but the Town shall not promise confidentiality beyond what Vermont law permits.

13. Project Closeout

A CHIP project shall not be closed until the Town has documented final infrastructure completion, resolved claims and liens, received final eligible-cost and financing records, reconciled all accounts, confirmed required housing and affordability outcomes, completed all reports and audits, and retired or otherwise ended the applicable financing obligation.

At the Final Repayment Date, the Treasurer and Town Administrator shall prepare a final reconciliation and distribution schedule; the lister or assessor shall complete final certifications; the Town Attorney shall confirm release or continuation of any covenants; and the Selectboard shall accept a closeout report in an open meeting. Remaining excess increment shall be returned or distributed to the appropriate taxing authorities as required by law.

14. Administration and Review

The Town Administrator may create forms, checklists, standard operating procedures, and administrative deadlines consistent with this policy. The Selectboard shall approve material changes to decision authority, financial controls, or public process.

This policy shall be reviewed after any material amendment to 24 V.S.A. chapter 53, subchapter 7; material VEPC rule or guidance change; significant audit finding; or at least once every three years while the Town has an active CHIP project.

15. Contact Information

Resource	Contact
Town of Georgia	Town Administrator, 47 Town Common Road, No. St. Albans, VT 05478 | (802) 524-3524 | administrator@townofgeorgia.com
VEPC CHIP	ACCD.CHIP@vermont.gov | accd.vermont.gov/economic-development/vepc/chip
VLCT CHIP IN VT	vlct.org/CHIP | Municipal technical assistance; legal questions should be referred to qualified municipal counsel

16. Adoption

Adopted by the Selectboard of the Town of Georgia, Vermont, at a duly warned meeting held on ______________________.

Selectboard member	Signature	Date

Selectboard member	Signature	Date

Appendix A - Minimum Project File

1. Developer information packet, concept submission, pre-application meeting record, preliminary screening, conflict disclosures, and Selectboard direction;
2. CHIP Interest Form, VEPC correspondence, GEARS submission, completeness record, site-visit materials, and VEPC decision;
3. Housing Development Plan, site map and parcel schedule, financing plan, pro forma, development schedule, risk analysis, and all amendments;
4. Public warnings, postings, hearing materials, minutes, votes, public financing disclosures, and election records;
5. Executed Housing Infrastructure Agreement, performance security, insurance, financing and closing documents, contracts, procurement, and permits;
6. OTV and annual valuation certifications; increment calculations, bank and general-ledger records, invoices, payment confirmations, and reconciliations;
7. Construction plans, inspections, change orders, photographs, completion certificates, cost certifications, lien releases, and as-built records;
8. Affordability covenants, primary-residence verifications, housing-unit and pricing records, annual reports, audit records, findings, and corrective actions; and
9. Final repayment evidence, closeout reconciliation, disposition of excess increment, releases, and Selectboard closeout acceptance.

Appendix B - Developer Information and Outreach Standard

The Town Administrator shall keep the following public-facing information current and may combine it into a webpage, handout, or pre-application packet. The packet should be revised as the Town gains CHIP experience.

Developer question	Town information to provide	Developer preparation expected
Is the project a good fit?	Community vision, housing needs, preferred development areas, utility and transportation context, flood and brownfield information, CHIP interests, and governing policies.	Review Town plans, maps, regulations, housing priorities, and CHIP resources before requesting municipal participation.

Developer question	Town information to provide	Developer preparation expected
What information is required?	A clear intake checklist, readiness expectations, evaluation criteria, financial expectations, and likely agreements.	Provide the site and concept plan, housing program, infrastructure, schedule, team, financing, site control, engineering, environmental review, utilities, and feasibility status.
How does the local process work?	Primary contact, meeting-request method, pre-application purpose and participants, process map, review steps, boards, approximate timelines, milestones, and public-engagement expectations.	Designate a project contact, attend coordinated meetings, respond completely, participate in public outreach, and understand that local, voter, and VEPC approvals may all be required.

Required disclaimer. Developer-facing materials shall state that they are informational, may change, do not constitute legal advice or project approval, create no right to CHIP financing or reimbursement, and do not replace zoning, permitting, procurement, public-hearing, voter, Selectboard, VEPC, or contractual requirements.

Appendix C - Source Authority

Prepared using the following authorities and guidance available as of August 18, 2026. Statutes, VEPC decisions, and current program guidance should be rechecked before each material action.

1. **2025 Act No. 69 (as enacted):** https://legislature.vermont.gov/Documents/2026/Docs/ACTS/ACT069/ACT069%20As%20Enacted.pdf
2. **24 V.S.A. chapter 53, subchapter 7:** https://legislature.vermont.gov/statutes/chapter/24/053
3. **VEPC CHIP program and guidelines:** https://accd.vermont.gov/economic-development/vepc/chip/guidelines
4. **VEPC CHIP program page:** https://accd.vermont.gov/economic-development/vepc/chip
5. **Vermont League of Cities and Towns - CHIP IN VT:** https://www.vlct.org/CHIP
6. **VLCT - Information to Share with CHIP Developers:** https://www.vlct.org/resource/information-share-chip-developers
7. **VLCT - CHIP Project Roadmap:** https://www.vlct.org/resource/chip-project-roadmap
8. **Town of Georgia Selectboard and municipal policies:** https://www.townofgeorgia.com/selectboard/page/policies

Legal review recommended. CHIP creates long-term municipal, contractual, property-tax, and debt obligations. Before adoption and before approving any project, agreement, direct payment, or financing, the Town should obtain review by qualified Vermont municipal counsel and appropriate financial advisors.

Policy status	**Adoption record**
Draft for Selectboard review	Policy No.: __________
Administered by Town Administrator	Adopted: __________
Applies to every Town CHIP project	Effective: __________
Review after material State changes	Amended: __________