
State of Vermont**Department of Economic Development**

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TO: House Commerce and Economic Development Committee
FROM: Jessica Hartleben, Executive Director, VEPC
DATE: April 14, 2025
SUBJECT: S. 127, "CHIP"

The Vermont Economic Progress Council (VEPC) welcomes the opportunity to be a part of the solution to the housing crisis, and we look forward to working with you all to ensure the success of the proposed Community and Housing Infrastructure Program (CHIP).

VEPC also offers the following for the Committee to consider:

1. **Flexibility for Urgent Needs**

- Our sincere hope is that VEPC's role in CHIP will be as efficient as possible to meet the immediate need for housing statewide. To achieve this, we would encourage CHIP to be crafted with flexibility in mind.
- We are all familiar with the barriers to creating housing in Vermont. VEPC understands that the intent of this bill is to provide a tool that helps overcome those barriers, not add to them. CHIP should be designed to empower municipalities to take immediate action toward our shared goal of addressing Vermont's housing crisis.

2. **Stability in Uncertain Times**

- CHIP, like TIF, would enable Vermont to prioritize high-dollar, high-impact infrastructure projects without a reliance on federal funds. As we've seen recently, relying on federal programs puts our communities at risk when there are changes in federal priorities. While Vermont municipalities use many federal programs to fund projects of this scale, relying solely on those funds is not a sustainable strategy.



3. **VEPC's Role & Council Expertise**

- The VEPC Council, which includes two Legislators (Currently Sen. Wendy Harrison and Rep. Abbey Duke), is an independent council of eleven members. They review and make decisions based on the information provided to the VEPC Council by the Department of Taxes, the Agency of Natural Resources, the Agency of Transportation, and other necessary stakeholders.
- The Council has seasoned professionals with diverse and vast local, national, and international expertise, with decades of experience in residential and commercial real estate development, municipal and state government, banking and finance, former Regional Development Corporation directors, and small business ownership.

4. **Capacity of Small Municipalities**

- The ability of small towns to utilize and administer the CHIP program should not be underestimated. VEPC has been in contact with several small municipalities that are excited by CHIP. Many have projects in mind that have otherwise stalled, and this tool would finally allow them to move forward.

5. **Independent Financial & Market Analysis**

- VEPC contracts with Economic and Policy Resources to provide a thorough review, analysis, and commentary of all data, supporting documentation, and projections submitted by the municipality from the standpoint of fiscal viability.

6. **Housing Creation & Monitoring**

- VEPC currently monitors Tax Increment Financing (TIF) districts, including housing projects, and we can continue to do so. TIF districts have collectively created over 2,100 new housing units and catalyzed even more housing outside of the District boundary lines.

Our door is always open, and we encourage and welcome the opportunity to answer any questions you may have.

