

S.127

Community Housing Infrastructure Program
(CHIP)

Senate Finance Committee

David G. White

MARCH 20, 2025

Community Housing Infrastructure Program (CHIP)

- ▶ If we agree
 - ▶ that Vermont needs to accelerate housing supply
 - ▶ that Vermont needs to accelerate the development of critical community infrastructure.
- ▶ Then, we need new tools in the toolbox to unleash the entrepreneurial spirit of Vermonters.

Conceptual Development of CHIP

- ▶ Through decades of experience and communicating with housing providers in Vermont, we know we need a tool that is:
 - ▶ As Simple as possible
 - ▶ Usable in Small and Rural Towns
 - ▶ Enables small projects and infill development
 - ▶ With adequate protections for taxpayers
 - ▶ Self-Funding

CHIP

Keep it simple

- ▶ One site
- ▶ One project (may be phased)
- ▶ No tracking of other properties
- ▶ No ongoing effort
- ▶ No “background growth”

CHIP

Usable for small towns

- ▶ Minimal setup
- ▶ Towns may use outside resources
- ▶ Option for developer to construct infrastructure
- ▶ Option for developer or third-party agency to finance
- ▶ Minimal administration
- ▶ No ongoing development effort

CHIP

Usable for small projects

- ▶ Example:
 - ▶ 4 units add \$200,000 value each
 - ▶ Assume tax rate of \$2.9595 at 80%
 - ▶ Will finance +/- \$240,000 infrastructure

CHIP

Ample Protections

- ▶ Housing infrastructure agreement.
- ▶ Option for developer or third-party to finance
 - ▶ No town debt!
- ▶ If town finances, agreement spells out protections.

CHIP

Grand List Growth

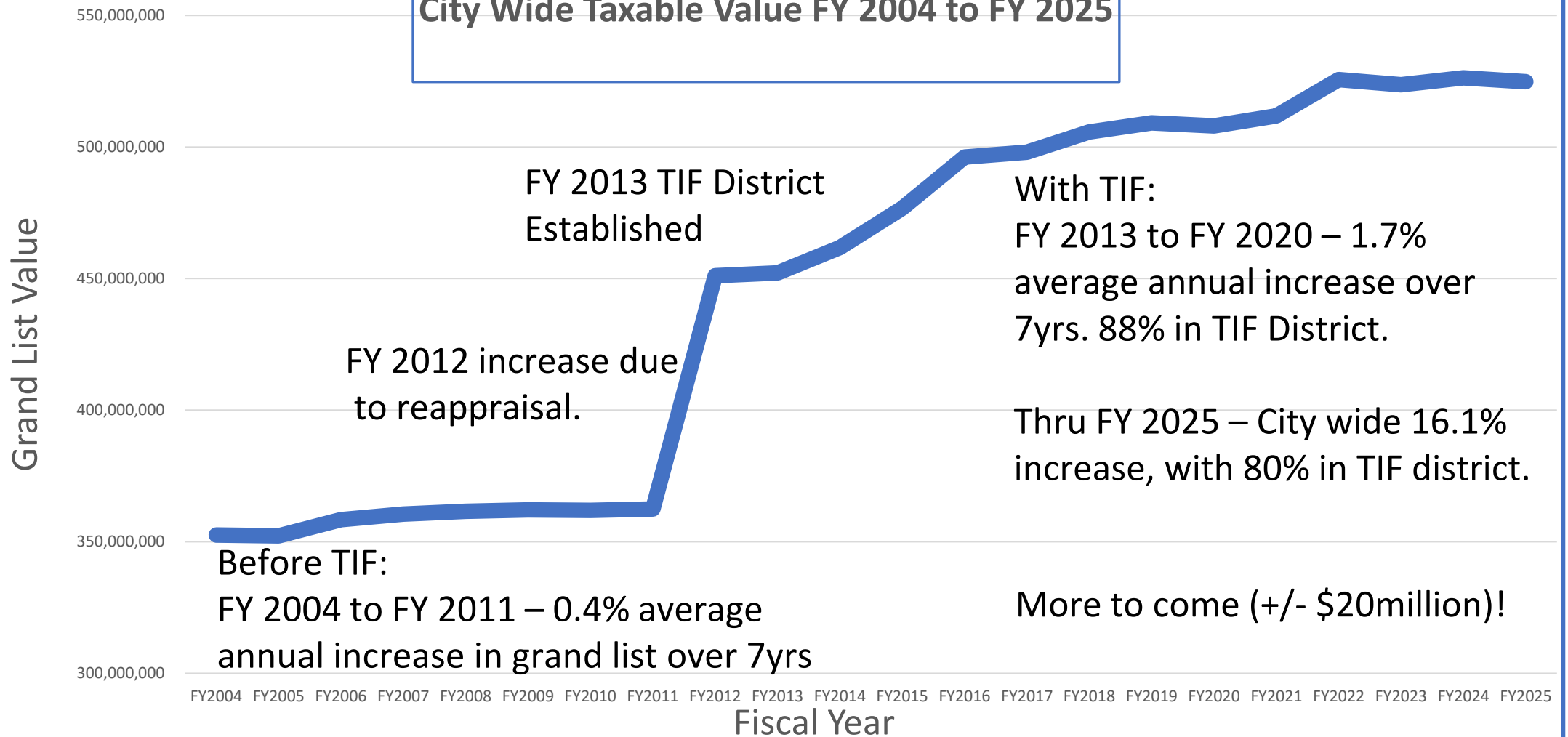
- ▶ Two types of growth:
 - ▶ Inflation in value
 - ▶ Investment creating new value
- ▶ Purpose of TIF & CHIP:
 - ▶ Stimulate investment

CHIP

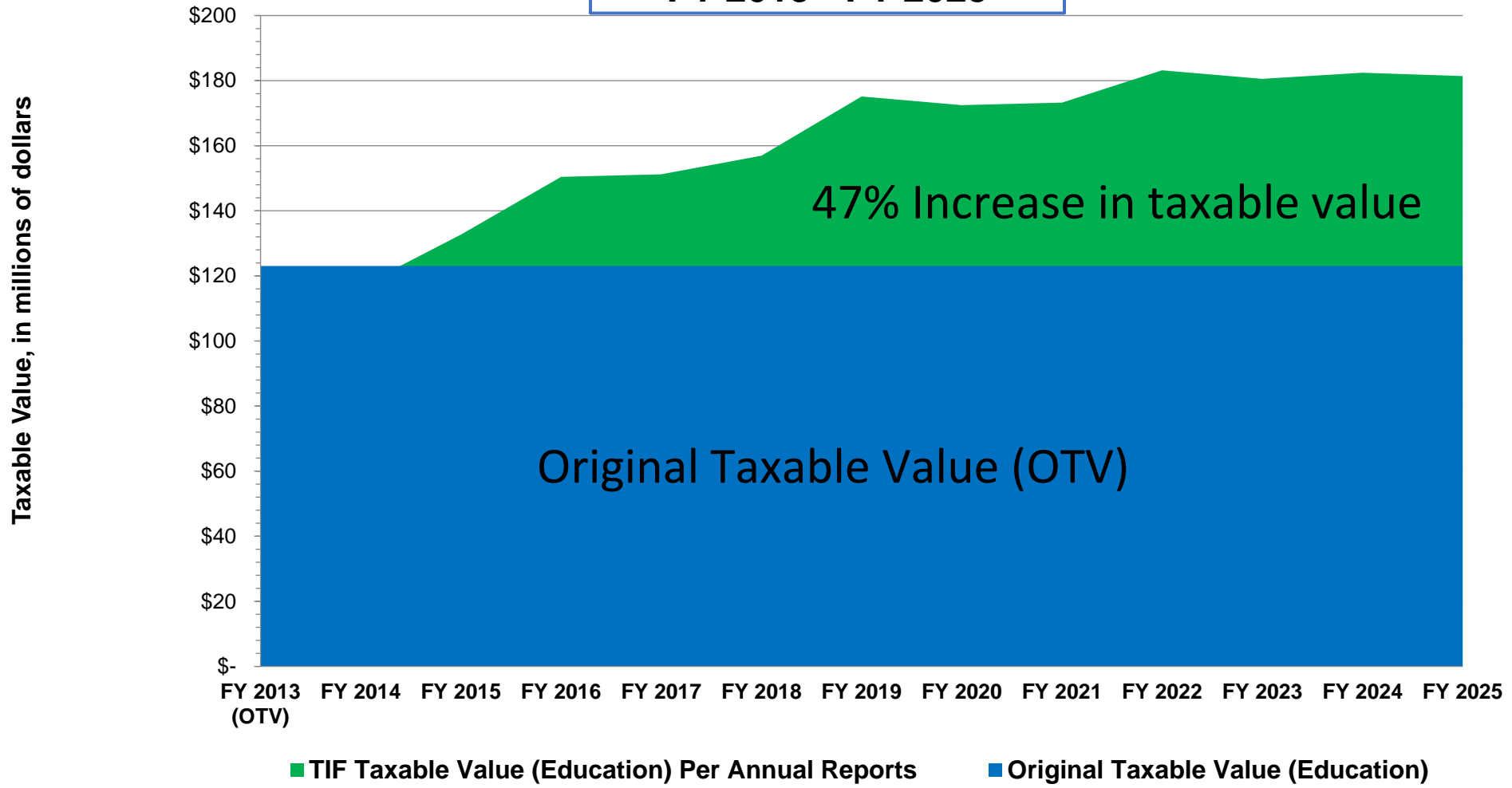
Self Funding – the Power of TIF or CHIP

- ▶ Measuring investment growth
- ▶ Example: St. Albans
 - ▶ Grand list growth from investment before & after
 - ▶ TIF district growth
 - ▶ Increased Education Fund payments

**St. Albans
City Wide Taxable Value FY 2004 to FY 2025**

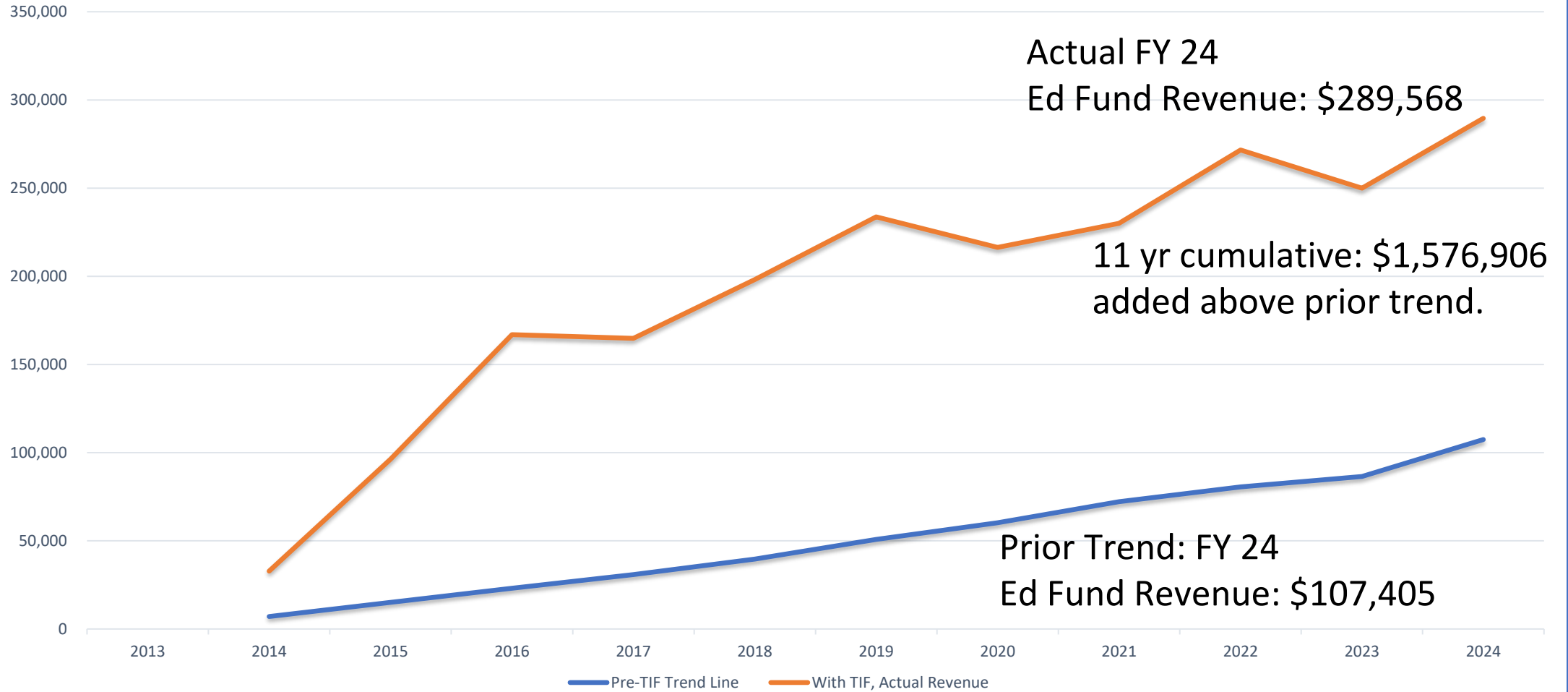


St. Albans TIF District Increase in Taxable Value FY 2013 - FY 2025



St. Albans TIF

Actual \$ Paid to Education Fund VS Pre-TIF Trend





Questions?

David G. White

White + Burke Real Estate Advisors

WhiteandBurke.com

802-862-1225 x2

