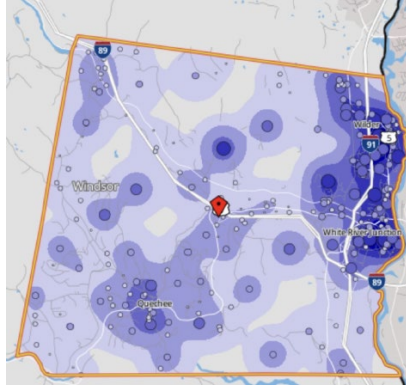


Municipal Planning Grant

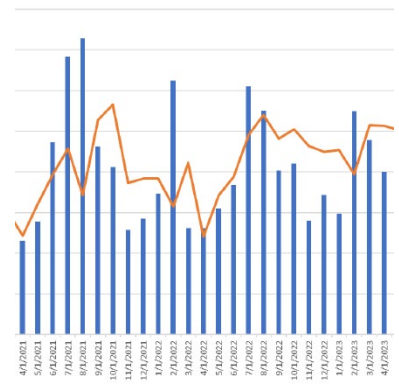
Fiscal Year 2026 Program Description



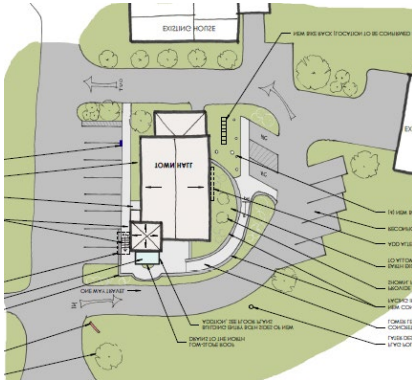
Ferrisburgh Trails & Travel Plan



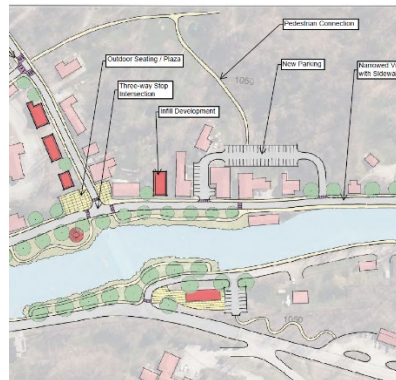
Hartford Economic Development Plan



Kingdom Corridor Lodging Study



Middlesex Town Hall Capital Plan Study



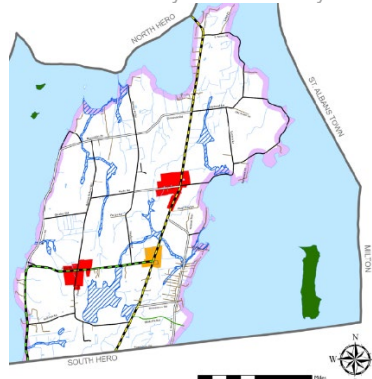
Londonderry Main St. Study



Williston 2050 Engagement



Historic Wolcott Schoolhouse Study



Grand Isle Town Plan



Pownal Village Improvement Plan

**Vermont Agency of Commerce and Community Development
Department of Housing and Community Development
Community Planning + Revitalization Division
Issued: August 2025**

Program Basics

In fiscal year 2026 (July 1, 2025 – June 30, 2026)¹, the Vermont Department of Housing and Community Development (DHCD) will grant funds to municipalities to promote planning, revitalization, and development activities that maintain Vermont's land use goal of compact settlements separated by rural lands.

The Municipal Planning Grant (MPG) Program funds a wide range of municipal planning projects as allowed by [Title 24 of Vermont Statutes Annotated \(V.S.A.\) Section 4306 \(b\) and \(c\)](#). Projects that promote Vermont's historic pattern of compact settlements surrounded by working farms, forest, and open space are given priority.

Each municipality may submit one application per year. The maximum grant amount is \$30,000 for individual municipalities and \$45,000 for group (consortium) applications. All applications are required to provide a minimum cash match of 10%, unless an application is for zoning/subdivision bylaws in municipalities without zoning/subdivision bylaws.

Grant funds are regionally apportioned based on the percentage of municipalities with confirmed planning processes within each of Vermont's [11 regional planning commission \(RPC\) regions](#). Municipal planning processes are confirmed by the regional planning commission. Eligible municipalities compete within their region for grant funding. Funding decisions are made by the DHCD Commissioner based on the competitive criteria listed under the *Grant Selection Process* later in this guide.

Grant Timeline

MPG projects must be completed within 24 months.

- October 31, 2025: Deadline for RPC confirmation of municipal planning process
- July 2025: Program announced
- September 1, 2025: Online application opens
- **November 3, 2025: Application deadline, 6 p.m.**
- December 30, 2025: Award decisions
- January 1, 2026: Start of grant term
- December 2026: Mid-project report due

Purpose of MPGs: To Carry out Statewide Planning Goals (24 V.S.A. § 4302)

b) It is also the intent of the legislature that municipalities... shall engage in a continuing planning process that will further the following goals:

(1) To establish a coordinated, comprehensive planning process and policy framework to guide decisions by municipalities, regional planning commissions, and state agencies.

(2) To encourage citizen participation at all levels of the planning process...

(3) To consider the use of resources and the consequences of growth and development...

(c) In addition, this chapter shall be used to further the following specific goals:

(1) To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside...

¹ Act 74 <https://legislature.vermont.gov/bill/acts/2022>

- December 31, 2027: End of grant term; Project is complete, and all funds spent
- January 31, 2028: Final report and products submitted

Eligible Applicants

Single Municipality

Individual municipalities with a local planning process confirmed by the RPC (including an unexpired plan) on or before October 31, 2025, are eligible to apply. To be confirmed, a locally adopted plan must be approved by the RPC, and the municipality must maintain efforts to provide local funds for municipal and regional planning purposes as required by [24 V.S.A. §4350](#). The Department does not require the submission of a plan confirmation letter from the RPC.

Municipalities without a confirmed local planning process may apply for funding only to create a municipal plan approvable by the RPC and must have voted to provide local funds for municipal and regional planning purposes. Grant proposals from municipalities that have received RPC recommendations to bring their plan into compliance with statewide requirements must propose to address the changes identified by the RPC.

Municipal organizations other than the governing body and the planning commission (such as the conservation or economic development commission) may also apply for a grant, but only with prior approval of the municipal governing body and planning commission.

Municipalities may not receive funding if they are suspended or debarred by the State or Federal Government; delinquent in submitting their subrecipient annual report; or delinquent in submitting their single audit reports (if required).

Consortium

Two or more municipalities may apply jointly for a consortium application (requests of up to \$45,000). The application must address a shared issue and identify a lead municipality for financial administration of the project. The RPC may serve as grant administrator for a consortium (see consultant selection below). All municipalities in the consortium must have a confirmed planning process by October 31, 2025, and each municipality must submit a separate resolution form in support of the project. The consortium may involve or benefit municipalities that are not identified as a consortium member in the application. No member of a consortium application may apply for an individual MPG the same year. A municipality can only serve as a lead municipality for one application but may be part of multiple consortia.

Eligible Municipalities

For the purposes of the Municipal Planning Grant Program, a municipality is defined by [24 V.S.A. §4303\(12\)](#). Under this definition an incorporated village is not considered a separate municipality unless the village adopts its own plan one or more bylaws either before, concurrently with, or subsequent to such action by the town.

Funding Amounts & Match

Single municipalities may apply for a grant of any amount between \$2,500 and \$30,000 with a minimum local cash match requirement of 10%, based on the total project cost. The local match is not required for applications seeking funding for zoning/subdivision bylaws in municipalities without existing zoning/subdivision bylaws

A consortium of municipalities may apply for a grant of any amount between \$2,500 and \$45,000 with a minimum local cash match of 10%, based on the total project cost. The local match is not required for applications seeking funding for zoning/subdivision bylaws in municipalities without existing zoning/subdivision bylaws

Any source of cash match funds may be used: federal, other state grants, municipal, private, or non-profit. Projects that demonstrate financial partnership with outside organizations or propose a local match that exceeds the minimum match amounts are considered to have higher levels of community support in the competitive criteria listed under the *Grant Selection Process* later in this guide.

In-kind contributions or contributions of municipal staff or others' time **cannot** be offered as a match. Documentation of total expenditures (including grant and match funds) are required at the close out of the grant. If a project is completed with less than the total project cost expended, the grant award and match funds required will be reduced proportionately.

Grant Amount	10% Match Amount	Total Project Cost
\$2,500 (Minimum)	\$278	\$2,777+
\$30,000 (Max. for Single Applicant)	\$3,333	\$33,333+
\$45,000 (Max. for Consortium)	\$5,000	\$50,000+

Municipalities seeking funds for large, multi-year projects are encouraged to separate projects into related, stand-alone phases, each with a defined product upon completion, and apply for a grant each year to complete the phases (See *Single Project Scope Requirement* below). Because funds are allocated competitively each year, MPG support for subsequent phases cannot be guaranteed.

DHCD reserves the right to award less than the amount requested, based on the availability of funds.

Note: Please keep in mind that municipalities that accept MPG funding are not eligible to apply for a [Better Connections Grant](#) for the same state fiscal year as the MPG award.

Eligible Activities

The Municipal Planning Grant Program supports a wide range of projects relating to planning, land use, and resilience and promotes cooperation, collaboration, and the exchange of ideas. Eligible projects must have a clear connection to planning and implementation of the municipal plan and will be reviewed for conformance with the

regional plan, as well as statewide smart growth principles, planning goals, and land use policies.

Funds *may* be used to:

- ✓ Underwrite expenses for public meetings and hearings, informational workshops, citizen surveys, outreach, and notification costs
- ✓ Support research, data collection, capacity studies, inventories, and mapping
- ✓ Pay consultants, interns, regional planning commission staff, or legal fees associated with the project
- ✓ Purchase development rights, easements, and titles of properties for housing and conservation purposes identified in the municipal plan
- ✓ Purchase materials needed to produce a plan, bylaw, or implement or administer the project -- like writing supplies, maps, and copies
- ✓ Conduct other non-prohibited activities
- ✓ Pay an RPC with 'agent' status for project management expenses up to 5% of sub-contracted (non-RPC) expenses. This **must** be disclosed in the application and be included as a line in the work plan and budget.

Funds *may not* be used to:

- ✗ Support political activities
- ✗ Support projects incompatible with the Regional Plan
- ✗ Pay regional planning commission dues
- ✗ Reimburse expenses incurred before the grant is awarded
- ✗ Subsidize tax mapping (see *Mapping Requirements* below)
- ✗ Pay municipal officials or municipal staff
- ✗ Capitalize a "reserve" fund for use beyond the grant period
- ✗ Purchase computer hardware, software licenses or subscriptions, or other equipment not related to a specific grant funded planning event
- ✗ Pay for the cost of administering the MPG grant such as municipal or regional staff time for documenting grant expenditures and submitting the progress report and close-out, except as noted for 'agent status' above
- ✗ Support plans, bylaws and policies that violate the State or Federal Fair Housing Act. Fair housing training is available to all grantees and is encouraged for projects relating to housing and/or revisions to zoning bylaws. Please contact Shaun Gilpin, Housing Policy Specialist at shaun.gilpin@vermont.gov if you are interested in training opportunities.

Mapping Requirement

- All GIS mapping must follow applicable [VCGI data guidelines or standards](#).
- Parcel mapping projects may not be funded through MPGs.

Single Project Scope Requirement

MPG grants are limited to projects with a singular and well-defined focus – even if the proposal is part of a larger project (see example below). If multiple products or separate consultant projects are proposed for MPG funds, the application may not meet the single project scope requirement. This finding will result in a lower score and only one of the projects will be funded if a grant is awarded. Applicants with questions about scope should call the program's staff.

Example: work on both a municipal plan and bylaws in the same application will usually be considered two separate projects and typically both are not funded. However, a focused issue-oriented amendment of a plan element and the associated bylaws to implement that section of the plan, can be proposed as one project. For instance, a housing element of a plan and a bylaw amendment to adopt housing-ready regulations may be considered one project.

Use of MPG as Part of a Larger Project

MPGs may be used as part of a larger or phased project. An MPG may also be used in conjunction with grants from other programs. If you propose to use the MPG for a larger project, begin by assigning a discrete part of the larger project to the MPG. Choose a component that best meets the competitive criteria and can easily be completed within the 24-month MPG timeframe. If applicable, applicants must explain use of an MPG as part of a larger project. Applicants may contact DHCD to ensure that the activity will meet the grant requirements.

Example: A municipality could use an MPG for the community outreach component of a major public project. In this instance, include the workplan for just the MPG portion of the project in the online application, explain the project in the application, and submit the overall work plan for the larger project as an attachment.

Coordination with State Agencies

Some local planning and regulatory projects require coordination with state agencies that have planning and regulatory authority over the project. For projects where state authority can be anticipated, applicants must identify the relevant agencies as project partners and include a task for coordinating with that agency in the work plan. Applicants are also encouraged to review the work plan with any such agency and include comments from the agency as an attachment to the application.

Example 1: Any project (streetscape, traffic calming, sidewalk, water, wastewater etc.) that proposes work within a state highway right-of-way must coordinate with appropriate sections at the Agency of Transportation. At a minimum, the District Transportation Administrator and the Permitting Services section should be involved. Early coordination will increase the likelihood that the work product(s) can be implemented in the future.

Example 2: A project to consider village wastewater solutions must coordinate with the [Department of Environmental Conservation \(DEC\) Water Infrastructure Financing Program](#) before submitting an MPG application, to ensure the work plan will result in a

product that can be used to obtain state and federal infrastructure funding. The best evidence of this coordination is an email from DEC indicating review of the work plan. This can be attached to the application.

Grant Selection Process (Competitive Criteria)

DHCD uses competitive criteria to score and rank applications. The statewide priorities are updated annually to comply with policy initiatives, legislation, or current events. Grants are awarded based on the application's score and ranking compared to the scores from the other applications in the same region, as well as the amount of grant funds available. Applications scoring at or below 60 points will not be funded, and regional funds may be reallocated to high-scoring projects in other regions. The DHCD Commissioner reserves the sole right and responsibility to allocate grant funding. Applications are scored as follows:

Competitive Criteria Scoring Summary	Points
Project Readiness & Need	Section: 20
Issue & Urgency	5
Funding Need	5
Project Readiness	5
Project Management	5
Public Outreach & Project Partnership	Section: 15
Public Outreach	10
Project Partnership & Support	5
Statewide Priorities	Section: 40
Project Outcomes & Goal Consistency	5
Priority Projects	15
State Designated Area Projects	20
Project Approach	Section: 35
Work Plan	20
Budget & Cost Estimates	15
Application Quality & Past Performance	Section: 10
	TOTAL: 120

Project Readiness & Need (20 points)

Projects with a specific and documented problem the community is trying to solve, and a well-organized management team, demonstrate project readiness. Projects that are unable to qualify for funding through other sources demonstrate need, as well as projects that address an urgent matter.

Public Outreach & Project Partnership (15 points)

Planning projects are more successful: 1) when there is sustained public outreach throughout a project that involves those affected, including harder-to-reach and under-represented, lower-resourced or under-served people, 2) when they begin with strong community support, and 3) when they are done in partnership with organizations outside the municipal government. Competitive applications will demonstrate how the

project's work plan will outreach to the broader public and who supports and is part of the project from the outset. This includes necessary coordination with State agencies. [DHCD offers engagement pointers](#).

Statewide Priorities: Outcomes, Projects & Designation (40 points)

Each year the program recognizes projects with outcomes that meet statewide priorities and the Vermont [Planning & Development Act's purpose and](#) goals (24 V.S.A. 4302).

Projects that meet one priority project category receive 5 points. Projects meeting more than one priority project category score up to 15 points. Because housing continues to be a concern statewide, projects that expand housing opportunity will receive highest priority. Refer to the [Application Guide](#) for examples of diverse projects that meet these categories:

- Projects focused on the implementation of the Act 47 of 2023 and Act 181 of 2024
- Projects related to climate resilience and flood recovery
- Projects related to housing development
- Capital programs and plans for municipal improvements
- Physical improvement plans for a designated area, which may include pre-engineering water/wastewater visioning
- Pre-requisite planning to prepare for a downtown/village center or center 'step-up' designation application (please coordinate with DHCD designation program staff on resources to support new historic preservation best practices for Step 3 Downtown Centers)
- Innovative and statewide projects that serve as a replicable model for other communities

Projects that relate to and have a clear connection to [state designated areas](#) receive priority in accordance with 24 V.S.A. Chapter 76A. Refer to the [Application Guide](#) for scoring specifics.

Project Approach (35 points)

Projects should have a well-considered work plan and budget. Once grants are awarded, the work plan can only be changed via a grant amendment, so the scope of work and tasks described should be as accurate as possible. The work plan and budget submitted with the application will become part of the grant agreement. It should not be overly broad.

Application Quality & Past Performance (10 points)

Reviewers consider the overall quality and clarity of the application, as well as applicants past performance on timely grant reporting, accurate and complete closeout documentation, and completion of past projects that were awarded funds.

Application Guide

The [Application Guide](#) assists applicants in preparing a competitive application and allows applicants to prepare draft responses before submitting the application online.

Applicants can see each application question, read advice on answering the question, view how the response will be evaluated and scored by DHCD, and prepare a draft response -- all on one form. DHCD recommends applicants prepare their responses offline in the Word document provided, to be able to copy and paste narrative responses into the online form later. The GEARS system will time out after forty minutes on one-page, even if you are actively entering in information. Please “save” often so applicants do not lose their work.

Grant Awards and Administration

Award notices are sent via email to successful applicants through the online Grants Management System. In the event of partial funding, applicants are asked to submit a modified work plan and budget. Grant agreements and other required documents will be available shortly thereafter. Completion and electronic submittal of these forms will be required for payment. All grants management forms and instructions will be available through the Grants Management System. Grant payments and reporting requirements are as follows:

- **First Payment** – Upon execution of the grant agreement, a requisition may be submitted for an advance payment of 40% of the award amount.
- **Second Payment** – Mid-project reports are due December 2026. Requisition for 30% of the award may be submitted along with a progress report.
- **Final or Close Out Reimbursement** – Up to 30% of the award is made on a *reimbursement basis*. The reimbursement is made when the project and its deliverables, as detailed in Attachment A of the Grant Agreement, are complete, and the expenditures are properly budgeted and documented (copies of invoices and canceled checks or a detailed transaction report) showing that the funds were spent for the purposes specified in the grant agreement. Invoices must show that grantees have spent all grant funds and match funds, if applicable, no later than December 31, 2027. Funds that are unused as of that date, as well as expenditures that are ineligible or are not documented, must be returned to DHCD.

While grant activities must be completed by December 31, 2027, grantees have up to one month after that date to assemble a final report. Final reports must be submitted online no later than January 31, 2028.

Purchase of goods and services through the grant must conform with the procurement requirements defined in [Attachment D to the Grant Agreement](#). In most cases, consultants must be selected through a competitive process.

All final products and public communication must acknowledge funding from the Municipal Planning Grant Program, administered by the Vermont Department of Housing and Community Development, Agency of Commerce and Community

Development. This means there must be a statement, usually on the cover page of the final plan or product, such as “*This project was funded in part by a Municipal Planning Grant, administered by the Vermont Department of Housing and Community Development.*”

Amendments

Amendments include the following options:

- 1) Minor alterations to the work plan or the approved budget may be allowed, but only upon request and approval from DHCD. Substantial alterations are not allowed, and the final product must remain the same.
- 2) Time extensions are offered for up to one additional year only. Projects that cannot be completed within the grant period under the terms of the grant agreement are closed out. The grant will cover eligible work completed for documented costs; however, ineligible or undocumented costs will not be funded, and associated funds must be returned.

Consultant Selection

The rules for consultant selection are detailed in the grant agreement’s procurement provisions (see [Attachment D of the MPG Grant Agreement](#)). A Regional Planning Commission may help a municipality prepare a grant application and bid on a grant-funded project; this is not a prohibited activity.

Pre-Application Process

Consultants may be selected before the application is submitted. If a municipality is engaged in a competitive procurement process while developing the grant application and selects a contractor at that time, there is no requirement to re-open the selection process if the grant is awarded, provided the scope of work remains substantially similar to what was in the contractor’s proposal.

Simplified Bid Process

For contracts up to and including \$10,000, the grantee is required to obtain price or rate quotations from a reasonable number of sources, but no less than two, and maintain a record of the same in its files.

Regional Planning Commission as Agent

For [rural towns](#) with a population of less than 2,500 as defined in [24 V.S.A. §4303\(25\)](#), the regional planning commission may serve as an agent of the town for the Municipal Planning Grant.

The agent is expected to prepare the application, support grant administration and will be exempt from competitive selection if serving as a project consultant, but the municipality must remain the financial administrator. RPCs may also serve as the agent for any consortium project.

Competitive Bid Process

For contracts more than \$10,000, the grantee is required to use a competitive selection method, soliciting from an adequate number of sources. A Request for Proposals (RFP) or Request for Qualifications (RFQ) should be broadly publicized to permit reasonable competition. The grantee must maintain records in its files to document how the decision was made.

Exceptions

If the grantee is a “[rural town](#)” or a multi-town consortium and has identified the regional planning commission as its agent, the simplified bid and competitive processes for hiring the RPC are not required.

Consultants working on an earlier phase of a multi-phase project may be re-selected for the project phase funded by the MPG, to maintain continuity between phases.

Information

MPG Application Webpage - instructions and resources:

<https://accd.vermont.gov/community-development/funding-incentives/municipal-planning-grant/applicant-guidance>

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