Municipal Planning Grant 2027 Program Description

State of Vermont
Agency of Commerce and Community Development
Department of Housing and Community Development
Division of Community Planning + Revitalization

Issued: July 15, 2026

Image: Roxbury Village Center Revitalization Plan. 2025. gbArchitecture & Fairweather Consulting

Program Basics

In fiscal year 2027, 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 Grants (MPG) fund 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 $50,000 for individual municipalities and $65,000 for group (consortium) applications. All applications are required to provide a minimum cash match of 10%, unless an application is for a first municipal plan or bylaw under 24 VSA Chapter 117.

Grant funds are regionally apportioned based on the number of municipalities in a region. 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.

Purpose

The purpose of municipal planning grants is to carry out the statewide planning goals:

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… (24 V.S.A. § 4302)

Funding

The fiscal year 2027 the Department of Housing and Community Development has approximately $1.9 million for municipal planning grants from the municipal and regional planning and resilience fund that comes from property transfer taxes.

Timeline

The timeline for grantees to complete their MPG projects is 24 months.

- Thursday, July 16, 2026: Program announced
- Tuesday, September 1, 2026: Online application opens
- September 9, 2026: Live webinar for prospective applicants
- November 1, 2026: Deadline to have an RPC confirmed planning process for a plan implementation project.
- Monday, November 2, 2026, at 6PM: Deadline to submit online application
- December 31, 2026: Deadline for award decisions
- January 1, 2027: Grant term begins
- December 2027: Mid-project report due
- December 31, 2028: Grant term ends; Project is complete and all funds are spent
- January 31, 2029: Final report and products submitted to DHCD

Eligible Applicants

Vermont 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 after such action by the town.

Single Municipality

Municipal Plan Implementation Projects: Individual municipalities with a local planning process confirmed by the municipality's regional planning commission (RPC) on or before the deadline, are eligible to apply for projects that implement the municipal plan. To be confirmed, a locally adopted and unexpired municipal 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.

Municipal Plan Projects: 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 necessary updates identified by the RPC.

Group of Municipalities

Two or more municipalities may apply jointly for a group (or consortium) application. 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 group (see consultant selection below). All municipalities in the consortium must have a confirmed planning process by the deadline, 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.

Other Applicant Information

Simultaneous Grants: Municipalities may have two open MPG grants at one time. If a municipality has an open MPG grant, they are eligible to apply for a second grant. However, if two municipalities are tied for scoring, the grant will be awarded to the town without an existing grant. Also, municipalities that accept MPG funding are not eligible to accept a Better Connections Grant award for the same state fiscal year as the MPG award.

Originating Applicants: 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.

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

Municipal Resolution Form: The governing body must designate via the Municipal Resolution Form, who will have access to the GEARS online grants management system application, and grant should the application be awarded. This form is required to be submitted with the application. If there are questions on roles in the online system, please review the Municipal Planning Grant roles document.

Certificate of Good Standing: The Certificate of Good Standing form must be completed by each applicant indicating compliance with Act 154 of 2016, Section 13.

Funding Amounts & Match

Single Municipality Maximum

Single municipalities may apply for a grant of any amount between $5,000 and $50,000 maximum.

Group Maximum

A consortium of municipalities may apply for a grant of any amount between $5,000 and $65,000.

Local Cash Match

Municipalities must provide a minimum local cash match requirement of 10%, based on the total project cost. The local match requirement is waived for applications for a first municipal plan or bylaw project under 24 VSA Chapter 117. Any source of cash match funds may be used: federal, other state grants, municipal, private, or non-profit. In-kind contributions or contributions of municipal staff or others' time cannot be offered as a match, with some flexibility for very small towns as described further in this document.

Documentation for Closeout

Documentation of total project expenditures (including grant and all 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 proportionately reduced to maintain the required 90 / 10 split of grant award and match.

Funding Examples

- Total Project Cost of: $5,556
  - 10% Minimum Cash Match $556
  - **Grant Amount** **$5,000**

- Total Project Cost of: $55,556
  - 10% Minimum Cash Match $5,556
  - **Grant Amount** **$50,000**

- Total Project Cost of: $72,222
  - 10% Minimum Cash Match $7,222
  - **Grant Amount** **$65,000**

Grant Awards

The DHCD Commissioner reserves the sole right and responsibility to allocate grant funding and award less than the amount requested, based on the scoring of the applications and availability of funds. For timing, refer to the "Program Basics" above.

Note: municipalities that accept MPG funding are not eligible to accept a Better Connections Grant award for the same state fiscal year as the MPG award.

Eligible Activities

MPGs support a wide range of projects relating to planning, land use, and resilience and promote cooperation, collaboration, public input, and the exchange of ideas. Eligible projects must have a clear connection to the creation or 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; participant stipends are allowed when stipend expenses can be documented with an invoice or receipt and municipal proof of payment
- 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
- Subscriptions for a reasonable period directly related to the planning project
- Pay a municipality up to 10% of the total project costs for project management tasks identified work plan when the project is managed by a volunteer (non-staff) municipal official in a *very small town*, defined as towns with populations of 1,000 or less. (There are 88 municipalities with populations of 1,000 or less.)

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 other equipment not related to a specific grant funded planning project
- 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,
- 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 the Housing Division in DHCD if you are interested in training opportunities.
- Pay for single-jurisdiction Local Hazard Mitigation Plans
- Parcel mapping or tax mapping

Mapping Requirement

All GIS mapping must follow applicable VCGI data guidelines or standards.

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). Municipalities seeking funds for large, multi-phase 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. Because funds are allocated competitively each year, MPG support for subsequent phases cannot be guaranteed.

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 a single 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, assign 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 and satisfy all grant programmatic, closeout, and financial requirements. If applicable, applicants must explain use of an MPG as part of a larger project in the application. 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 work plan 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: 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: 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

DHCD uses competitive criteria to score and rank applications. The State's 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. Applications are scored as follows:

Scoring Summary of Competitive Criteria

Applications are scored on a 120-point scale, as follows:

Project Readiness & Need, 20 points

- Well-Defined Issue & Urgency 5
- Funding Need, 5
- Project Readiness for a Municipal Plan or Plan Implementation Project, 5
- Project Management, 5

Statewide Priorities, 45 points

- Project Outcomes & Goal Consistency, 5
- State Priority Projects, 20
- Designated Area Projects, 20

Project Approach, 45 points

- Work Plan, 20
- Public Outreach, 10
- Budget, 15

Application Quality and Past Performance, 10 points

TOTAL POINTS: 120

Project Readiness & Need

Projects can demonstrate need and readiness by outlining specific and well-documented issue(s) the community is trying to solve and the urgency of that problem, explaining why MPG is the best fit and the project cannot qualify for funding through other sources, demonstrating the readiness for the project, and outlining a well-organized project management structure and partnerships for success. Projects with structured collaboration or financial partnership with outside organizations demonstrate strong community support and readiness.

- **Well-Defined Issue & Urgency**
- **Funding Need**
- **Project Readiness for a Municipal Plan or Plan Implementation Project**
- **Project Management**

Statewide Priorities: Outcomes, State Priority Projects & Designation

Outcomes: Each year the program recognizes projects with outcomes that meet statewide priorities and conform with the regional plan, the Vermont Planning & Development Act's purpose and goals (24 V.S.A. 4302), the Downtown & Community Investment Acts (Chapters 76A & 139 of Title 24), and the state's smart growth principles.

State priorities: Projects that meet at least one of the following.

- Planning for a Step Up: Downtown Designation: Step 3 Center or Village Designation: Step 2 Center application (with a pre-application consultation with program staff)
- Specific-Area Physical Improvement (Master) Plans for Designated Centers & Neighborhoods, including pre-engineering water/wastewater, multi-modal streets visioning, or neighborhood development for homes
- Comprehensive Capital Programming to support climate resilient development in Designated Centers & Neighborhoods per 24 VSA 4430
- Statewide innovative project that includes a replicable template other communities can use as a work plan deliverable
- Projects in very small towns with populations of 1,000, and under or projects in municipalities that are not regularly/recently funded.

Designated Areas: projects that relate to and have a clear connection to the legacy state designated areas receive priority in accordance with 24 V.S.A. Chapter 76A: downtowns, villages, neighborhood development areas, new town centers, and growth centers. This will be the last year the legacy designations will be used during the transition period when some regions will have new designations (under Chapter 139) and some will have legacy designations (under Chapter 76A).

Lower priorities: Basic municipal plan updates and minor amendments are less likely to be funded by the MPG program. MPGs prioritize funding for new plans or major amendments in communities facing significant change. Applications for local hazard mitigation plans, unless multi-jurisdictional and in coordination with VEM, are less likely to be funded.

Project Approach

Work Plan & Budget: Projects should have a well-considered work plan and budget. Regional planning commissions and private consultants have expertise in work plans and budgets for planning projects, and this does not bar these entities from later bidding on a project under state rules. Break out common expense categories like project management, technical work, outreach/engagement, formal hearing/meetings, and material costs. Work plan tasks should not be overly broad or overly detailed. Prevailing hourly rates are generally above $100/hr. for consulting services funded by MPG.

Once grants are awarded, minor work plan changes that do not change the state grant award can only be accomplished 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.

Allowed Project Management Expenses: Project management expenses are permitted for one of three scenarios:

- RPC as agent for rural town and group projects. Up to 5% of the subcontracted costs for project management tasks identified work plan may be added;
- RPC as agent for subcontracted project. Up to 10% of the subcontracted costs for project management tasks identified work plan may be added;
- Volunteer project management in a very small town, up to 10% of contracted expense.

Work Plan Outreach: 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, who it supports, and is part of the project from the outset. This includes necessary coordination with State agencies.

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.

Application Quality & Past Performance

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

Application Template & 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 of all grant agreement documents, reporting, closeout, and requisitions will occur in the online 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 a payment of 40% of the award amount.

Second Payment – Mid-project reports are due December 2027. Requisition for 30% of the award must be submitted along with a progress report.

Final or Close Out Reimbursement – Up to 30% of the award is made on a reimbursement basis once DHCD receives, reviews, and approves the closeout package. The reimbursement is made when the project and its deliverables, as detailed in Attachment A of the Grant Agreement, are complete and submitted, the final report has been completed, and the financial expenditures are properly documented (copies of invoices, receipts, canceled checks, and/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, 2028. 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, 2028, 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, 2029.

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 grant award, and final product must remain the same.

2) Time extensions are offered for up to one additional year only.

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. All information regarding procurement and how the consultant was selected must be retained.

Regional Planning Commission as Agent

The regional planning commission may serve as an agent of the town for the Municipal Planning Grant as follows:

Rural Towns: For rural towns with a population of less than 2,500 as defined in 24 V.S.A. §4303(25). (5% of the subcontracted costs for project management tasks identified work plan may be added.)

Group Projects: For any multi-town group/consortium project. (5% of the subcontracted costs for project management tasks identified work plan may be added.)

Subcontracted Projects: For ALL projects where the RPC agrees to be the project manager for expenses and subcontracts with ALL other services/expenses according to the procurement thresholds. (10% of the subcontracted costs for project management tasks identified in the work plan may be added.)

Agent Responsibilities: 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.

Simplified Bid Process

For contracts up to and including $15,000, 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.

Competitive Bid Process

For contracts more than $15,000, the grantee is required to use a competitive selection method. 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.

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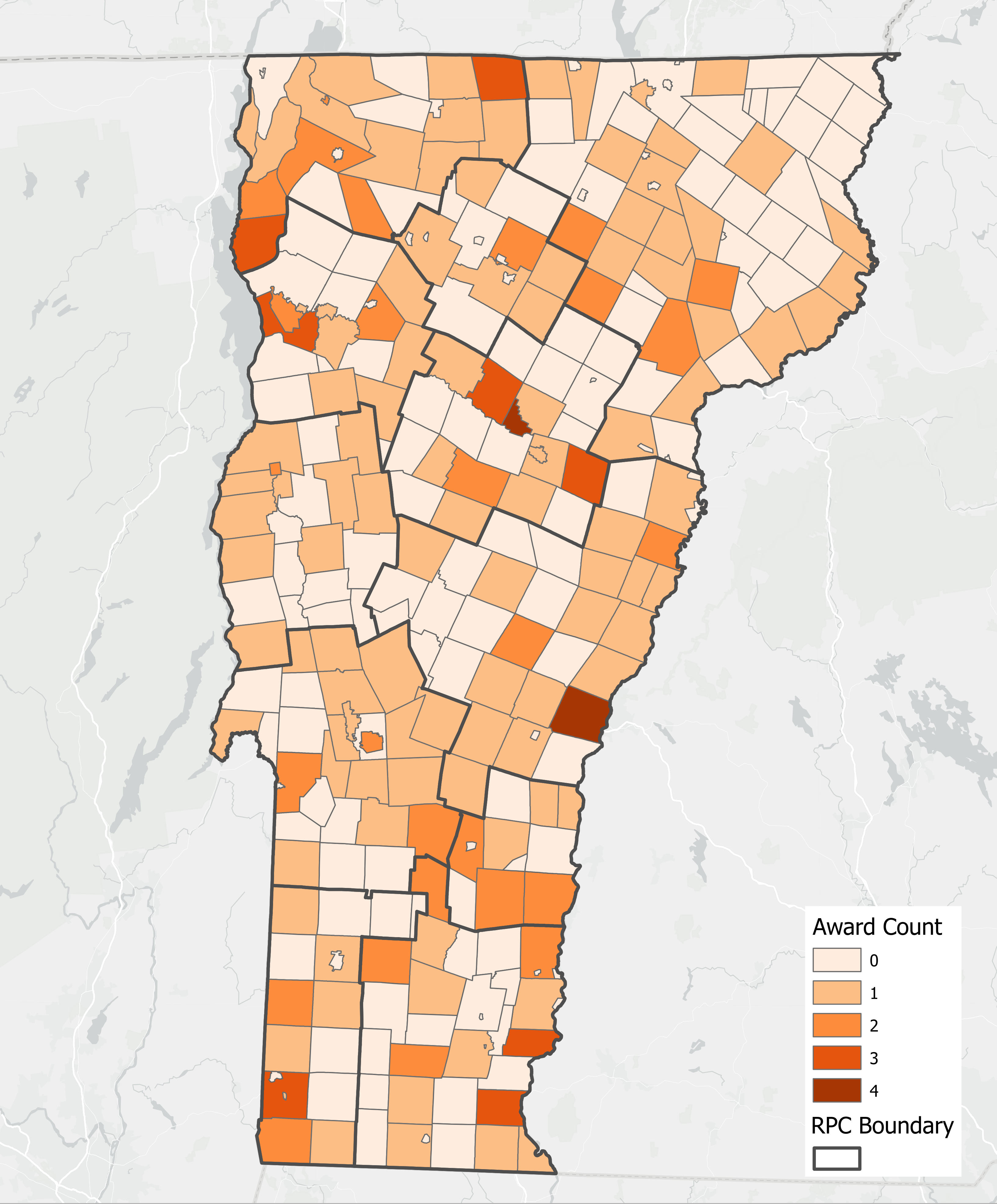

Municipal Planning Grant Awards (2022-2026)