

Housing Innovation Pilot Program (HIPP) FAQs

As of March 31, 2025

General, Eligibility, and Application

Q: What is the Housing Innovation Pilot Program?

A: The Housing Innovation Pilot Program (HIPP) provides low- or no-interest loans to local housing authorities or to county governments partnering with housing developers. In addition, the Fund may be used for projects where a county, in conjunction with a local housing authority or a housing developer, purchases existing privately owned housing to create opportunities for public housing authorities and county governments to increase the volume of housing production and reward counties pursuing innovative solutions to the problem of housing scarcity.

Q: How much funding is available?

A: In FY25, up to \$10,000,000 can be awarded.

Q: What is the maximum I can apply for?

A: \$3,333,333.

Q: What are the eligible types of housing?

A: New construction and acquisition or rehabilitation of rental housing are eligible activities.

Rental housing may include apartment buildings, townhouses, single-family homes, single room occupancy buildings and shared housing facilities.

Proposed projects must provide mixed-income, cross-subsidized housing in which:

- At least 20% of the units are set aside for households with a gross annual income of 50% or less of the area median income; or
- At least 40% of the units are set aside for households with a gross annual income of 60% or less of the area median income.

Q: Who can apply?

A: Sponsors must be

i. public housing authorities or ii. county governments, which could include partnering with a housing developer to meet the developer experience requirements.

OR

The sponsor must be a county, in conjunction with a PHA or developer, to purchase existing housing.

Either way, housing developers must apply in conjunction with a local government entity.

Q: Can city governments apply?

A: Per the [statute](#) governing HIPP, the fund may be used only to provide low- or no-interest loans to local housing authorities or to county governments partnering with housing developers. The fund may also be used for projects where a county, in conjunction with a local housing authority or housing developer, acquires existing private sector housing.

Q: What type of projects can be financed?

A: This is an innovation pilot program, so DHCD is open to new ideas.

Generally speaking, projects will need to:

- Meet the statutory requirements;
- Meet the threshold criteria; and
- Include elements that produce a competitive score.

Q: When are applications due?

A: May 30, 2025 at 12pm. Proposals must be submitted via email to dhcd.cda@maryland.gov. Please see the application documents and other related materials on DHCD’s website at:

<https://dhcd.maryland.gov/HousingDevelopment/Pages/Housing-Innovation-Pilot-Program.aspx>.

Q: How much is the application fee?

A: The application fee for HIPP is \$2,500. The application fee must be sent directly to: Community Development Administration, Maryland Department of Housing and Community Development, Post Office Box 2524, Landover Hills, MD 20784. A copy of the check, payable to the “Community Development Administration,” should be included with the application submission.

Q: When will awards be announced?

A: Summer 2025

Q: What are the terms of the loans?

A: Loan terms will be provided at a later date, but generally speaking, loans will be provided in one of two forms, depending on the type of project:

Short term loan, 3-5 years, with an estimated 4%

Longer term loan, 7-10 years, with an estimated 5.5%

Interest rates are subject to change.

Q: Are loans structured in senior position or subordinate loans?

A: HIPP will be subordinate loans, but the positioning will be considered on a case by case basis. It is unlikely that DHCD will be in a shared second lien position.



Q: I was awarded funds, what's next?

A: Awarded projects will be invited to complete the 2nd phase of the process, including threshold review, certifications, and other various requirements. Please see the Awardee Submission Package for more details.

Competitive Scoring Criteria

Q: For projects that involve land acquisition, could Project Readiness Points be earned?

A: Yes, projects can be used for acquisition and it is possible to earn Project Readiness Points with these types of projects. Depending on the project's timeline, points may or may not be awarded. If a project has a longer lead time than two years, it would not be eligible for points in this category.

Q: For the Statutory Preferences Points, can applicants earn somewhere between 0 and 16 points?

A: No, since these preferences are tied to HIPP's statute, projects will only receive all or none of these preference points.

Q: For the Innovation Points, can applicants earn somewhere between 0 and 11 points?

A: Yes, scoring will be ranked based on # of total units and uniqueness of the project, or model used to complete the project. If needed, projects may be ranked based on comparisons to others within the same jurisdiction. These points are not all or nothing.

Q: Can the HIPP funding be combined with CDA's LIHTC or Multifamily Bond Program (MBP) funding?

A: Yes, but the project would be ineligible for 16 Preference Points, since the preference is that awarded projects do not use LIHTC equity or tax-exempt volume cap. HIPP's vision is to reward those who are reducing overall project costs by using other tools besides LIHTC, MBP, or volume cap.

Q: In the Statutory Preference Points, projects are rewarded for maintaining affordability for 99 years. But, points are also awarded based on a project's affordability schedule. Do these categories overlap?

A: Yes, these are intended to overlap. That way, if a project's length of time of affordability is less than 99 years but somewhere between 15-40 years, the applicant can still receive some points. Projects that maintain affordability for 99 years are able to receive points in both categories.

