

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2026 Regular Session
Legislative Revenue Office

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|----------------------|---------------------|
| Bill Number: | SB 1567 - 1 |
| Revenue Area: | Property Tax |
| Economist: | Beau Olen |
| Date: | 2/5/2026 |

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Establishes revolving loan fund, the Mixed Income Development Loan Fund (MIDLF), for Housing and Community Services Department (OHCS) to provide below-market, short-term loans for development of mixed income housing. Expands housing projects OHCS may finance, to portion of housing projects not rented to households with income below 120 percent of area median income, if one or more units are rented to such households. Expands definition of “mixed income housing” for purposes of OHCS administration of certain housing programs, allowing such housing to include units available at fair market value and eliminating requirement all units must be subject to an affordable housing covenant. Takes effect 91 days after sine die.

Revenue Impact:

The measure has no direct revenue impact on local governments. Impacts on property tax revenue depend on capitalization of MIDLF, how such funds may be loaned to housing authorities, how such funds may be used by housing authorities to develop multifamily mixed income rental housing, and how loans will be repaid.

Impact Explanation:

Under current law, housing authority property is public property which may qualify as mixed income housing if a certain percentage of units are rented to tenants whose income is below a certain percentage of area median income. As such, mixed income housing may qualify for housing authority rental property tax exemption.

Under the measure, the potential for MIDLF low interest loans, higher rental rates from higher income tenants, and expanding qualifications for the housing authority rental property tax exemption, may help more housing authority mixed income rental properties ‘pencil out’ financially. Any revenue impact depends on whether and how the 22 existing city and county housing authorities in Oregon decide to finance more multifamily mixed income rental housing because of the changes (e.g., construct new property or purchase existing property). Additionally, since the measure can improve financial viability of mixed income rental housing developments, other cities and counties may establish new housing authorities and adopt the necessary resolution to exercise housing authority powers, including constructing or purchasing mixed income rental housing.

Creates, Extends, or Expands Tax Expenditure: Yes ☒ No ☐

The policy purpose of this measure is to increase supply of affordable housing, including by financing development of mixed income rental housing.