

SB 1567 -1 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/3, 2/5

WHAT THE MEASURE DOES:

The measure directs the Oregon Housing and Community Services (OHCS) Department to develop and implement a program to provide below-market, short-term loans for the development of mixed income housing, and creates the Mixed Income Development Loan Fund. It directs OHCS to adopt rules for the program, and takes effect on the 91st day following adjournment sine die.

Detailed summary:

Requires mixed income developments that receive money from the program to include some number of affordable housing units, made affordable by housing covenant, with the proportion and duration of affordability to be set by OHCS in rulemaking. Requires OHCS to adopt these rules, and rules describing how interest rates, loan terms, and eligibility is set, by January 1st, 2027.

Allows OHCS to finance mixed-income housing projects, as long as the development contains one or more units that are rented to households with an income of 120 percent or less of the Area Median Income.

Fiscal impact: Fiscal impact issued as indeterminant

Revenue impact: Revenue impact issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Would require any loans made through the program to be subordinate to any existing or concurrently made loans on the property, unless the private lenders agree otherwise.

BACKGROUND:

Oregon has several established revolving loan funds, funds which are generally used to provide flexible financing at a lower-than-market rate interest rate to spur the development of housing, infrastructure, or similar capital-intensive public goods. A revolving loan fund cycles returning loan payments and any interest accrued back into the program to finance new projects. In this way, the funds are intended to be self-sustaining after initial investment. Examples of other established state-created revolving loan funds include the Port Revolving Loan Fund, The Clean Water State Revolving Loan Fund, and the Oregon Business Development Fund. The Moderate Income Revolving Loan Fund (MIRL) within OHCS (created by [Senate Bill 1537 \(2024\)](#) and also known as the Housing Project Revolving Loan Fund) can be used to finance developments that will serve households earning up to 120 percent of AMI.