

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	SB 684 - A6
Revenue Area:	Property Tax
Economist:	Beau Olen
Date:	5-9-2025

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

Measure Description:

Clarifies that mixed income housing may qualify for the property tax exemption for Housing Authority Rental Properties. Increases the maximum area median income (AMI) in which housing authority mixed income housing must reduce rental rates for tenants from 60 percent of AMI to 80 percent of AMI. Eliminates requirements for a housing authority mixed income housing project that at least 20 percent of units are rented to tenants whose income is up to 50 percent of AMI and at least 40 percent are rented to tenants whose income is up to 60 percent of AMI. Establishes the Mixed Income Public Development Loan Fund (MIPDLF) and requires all units of multifamily mixed income housing financed by the fund to be subject an affordable housing covenant for at least 30 years. Takes effect January 1, 2026.

Revenue Impact:

The measure has no direct revenue impact on local governments. Impacts on property tax revenue depend on capitalization of the MIPDLF, how funds may be loaned to housing authorities, and potential future actions of housing authorities for the construction and acquisition of multifamily mixed income rental housing.

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 AMI. Lower rental rates for lower income tenants may make mixed income housing projects more reliant on federal funding and market-rate loans. The capital stack used by housing authorities to finance multifamily mixed income housing often includes federal funding (e.g., Low Income Housing Tax Credits and subsidies under the Housing Act of 1937), market-rate loans, Housing Authority Rental Properties tax exemption, and local funding.

Under the measure, the potential for higher rental rates (from higher AMI tenants), low interest loans (from MIPDLF), and property tax exemptions (Housing Authority Rental Properties and Affordable Housing Covenant) may allow more housing authority mixed income rental properties to 'pencil out' financially, reduce reliance on federal funding, or both. However, to be eligible for the Affordable Housing Covenant exemption, property must be subject to an affordable housing covenant for at least 99 years. Ultimately, any revenue impact from the measure depends on whether and how the 22 existing city and county housing authorities in Oregon decide to finance more multifamily mixed income rental housing as a result of the changes. Additionally, since the measure can improve the financial viability of mixed income housing developments, other cities and counties may establish a new housing authority and adopt the necessary resolution for the housing authority to exercise its powers, including the construction and acquisition of mixed income rental housing.

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

The policy purpose of the property tax exemption for Housing Authority Rental Properties is consistent with the policy purpose for housing authorities under ORS 456.070—to meet the need for an increase in affordable housing for persons or families of lower income (up to 80 percent of AMI).