



Legislative Fiscal Office  
83<sup>rd</sup> Oregon Legislative Assembly  
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Prepared by: Michael Graham  
Reviewed by: Michelle Deister  
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**Bill Title:** Relating to mixed income housing; prescribing an effective date.

**Government Unit(s) Affected:** Housing and Community Services Department

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate at this time - see explanatory analysis.

**Measure Description**

The measure directs the Housing and Community Services Department (HCSD) to develop and implement a program to provide below-market, short term loans for the development of mixed income housing. HCSD shall adopt rules that establish program eligibility criteria; the method by which the interest rates and terms are set; the proportion of housing units that must be restricted units; the minimum duration for which restricted units must be affordable, which must be at least the term of the loan; and the means by which a project that receives a loan ensures affordability of restricted units through an affordable housing covenant. Loans under this program must be made subordinate to any existing or concurrently made private loan on the property, unless the private lender agrees otherwise.

The measure establishes the Mixed Income Development Loan Fund, which is continuously appropriated to HCSD to implement the program. HCSD shall deposit payments made under the program into the Mixed Income Development Loan Fund, which consists of deposit payments for below-market, short term loans; moneys appropriated, allocated, deposited, or transferred to the fund by the Legislature; authorized bond proceeds; and moneys from any other source, including from the federal government or local government. Interest earnings shall be credited to the fund.

**Fiscal Analysis**

The fiscal impact of the measure is indeterminate.

The measure establishes a new program and continuously appropriated fund from which to administer below market, short-term loans for the development of mixed income housing, but does not include funding to capitalize and implement the program. HCSD would not need additional staffing resources to develop underwriting, market analysis, inspection, compliance, debt management and reporting functions if short-term construction loans are to be paired with long-term lending financed through conduit bonds for the mixed income housing long-term direct lending program authorized in SB 684 (2025).

Section 2(4) of the measure states that the loans must be made subordinate to any existing or concurrently made private loan on the property. The Legislative Fiscal Office notes that this provision may have an impact on the cost of borrowing under the program, depending how loans are financed, and the amounts of private capital and equity included in each project.

**Relevant Dates**

The measure takes effect on the 91st day after sine die.

The measure requires HCSD to adopt initial program rules by January 1, 2027.