

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

**Presentation Date:** June 10, 2026

**Approx. Start Time:** 10:45 AM

**Approx. Length:** 30 minutes

**Presentation Title:** Moderate Income Revolving Loan Fund Program

**Department:** Health, Housing, and Human Services (H3S)

**Presenters:** Mary Rumbaugh, H3S Director, and Shannon Callahan, Housing Authority Director

### WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board decision on creation of a Moderate Income Revolving Loan Fund program.

### EXECUTIVE SUMMARY:

The Moderate Income Revolving Loan (MIRL) program was established by Senate Bill 1537 in the 2024 Legislative Session, allocating \$75 million in General Fund resources for the Housing Project Revolving Loan Fund. The program intends to support and expand very low-, low- and moderate-income housing production in local communities across the state through a revolving loan structure.

### Key program components

- Oregon Housing and Community Services (OHCS) will make no-interest loans to cities and counties (sponsoring jurisdictions) that meet specific requirements to fund very low-, low- or moderate-income housing projects. Sponsoring jurisdictions can use the loan to award a grant to a developer with an eligible housing project in their communities.
- The sponsoring jurisdiction must repay the loan. The primary vehicle for loan repayment is to use a tax deferral whereby the taxable improvements on the development/redevelopment are exempt from property taxes for about 10 years. Instead of regular property tax payments on the improvements, the developer/fee payer will pay a predetermined annual program fee for the duration of the property tax exemption period.
- Projects using MIRL resources will be subject to affordability requirements for the term of the program loan or 10 years, whichever is greater.
- The MIRL program is limited to developing new housing or conversions of non-residential structures to housing for households earning 120% of area median income (AMI) or less.

As program loans are repaid through the program fee structure, OHCS can issue new program loans for additional eligible housing development.

### FINANCIAL IMPLICATIONS (current year and ongoing):

**Is this item in your current budget?**      X NO

**What is the cost?** Preliminary cost estimates of \$1,085,000, based on two \$500,000 loans supporting two 50-unit developments with a 10-year compliance period. Estimated costs include \$50,000 in staff time for program development, \$25,000 in legal fees for DOJ review and loan document preparation, \$10,000 for initial feasibility/pro forma reviews, and ongoing compliance and monitoring costs estimated at \$1,000 per unit per year (\$100,000 annually for 10 years). Actual costs will vary depending on the number of loans, units, projects, and compliance requirements. Estimated loan fee revenue for \$1 million in loans is approximately \$50,000.

The following table lists the costs detailed above in an alternative format:



## Overview of Roles & Responsibilities for a MIRL Program

### **Responsibilities and tasks for Sponsoring Jurisdictions (City or County)**

#### **Overall responsibilities:**

- Implement MIRL program
- Administer MIRL program
- Ensure that project(s) complies with MIRL program requirements

#### **Tasks:**

- Determine the need for, and aims of, the local MIRL program in your jurisdiction
- Coordinate with county tax officer (assessor, tax collector, and/or treasurer) to ensure they are prepared to perform MIRL program responsibilities for the sponsoring jurisdiction.
- Document consultation with other municipalities within your jurisdiction about their intention to implement a local MIRL program
- **Establish how you will administer the local MIRL program including but not limited to:**
  - **Additional requirements and specifications of the local MIRL program**
  - **Application process and application additions**
  - **Monitoring**
  - **Compliance**
- Establish MIRL program
  - Draft a Compliance Plan
  - Draft, execute, and provide OHCS with an Originating Ordinance/Resolution (including Compliance Plan)
  - Submit an "[Initiate Master Agreement](#)" request
  - Enter into Intergovernmental Master Agreement with OHCS
  - If the Sponsoring Jurisdiction is a city, the county enters into an Intergovernmental County Master Agreement with OHCS
- Open local MIRL program
- Process MIRL project applications within 90 days of submission
  - Provide notice of determination to project applicants (provisionally approved, approved on different terms, or rejected)

- Collaborate with project applicants through application process
- If applicable, determine the Alternative Funding Source(s)
- Collect and prepare the Intergovernmental Agency Loan Request
- Submit the [“Intent to Apply”](#)
- Collaborate with OHCS through the Intergovernmental Agency Loan Request review process
  - Collaborate with county tax officer to determine future property taxes for the eligible housing project to determine the project funding amount.
  - Submit all documentation to the Procorem WorkCenter provided.
  - Facilitate requests by OHCS through Intergovernmental Agency Loan Request review.
- Communicate OHCS’ determination with project applicant
  - Confirm Project applicant’s continued interest in MIRL project funding
- Enter into Intergovernmental Agency Loan Agreement with OHCS
  - The Intergovernmental Agency Loan is equal to the sum of the Project Funds, **plus administrative fees for the Sponsoring Jurisdiction (5%) and County Tax Officer (1%)**.
- Draft and execute Project Funding Agreement with project applicant
  - Attach applicable OHCS-provided rider to project funding agreement
  - Provide copy of executed Intergovernmental Agency Loan Agreement to OHCS and county tax officer
  - Within three (3) days after execution, record Project Funding Agreement (including rider) in real property records for the county and provide evidence of recording to OHCS
- Draft and execute Project-Specific Ordinance or Resolution. Provide copy to OHCS and county tax officer.
- Provide OHCS with ACH and W-9.
- Submit draw request to OHCS through Procorem to initiate fund disbursement.
- Notify county tax officer of project funding.
  - Provide any other necessary documents to the county tax officer.
  - Request tax exemption and county tax officer report, if applicable.

- Disburse MIRL project funding amount to project applicant and if included in intergovernmental agency loan, distribute the administrative fee (1% to county tax officer and hold 5% for jurisdiction)
- Process and notify OHCS of any project changes or updates
- Collect annual developer reports
- Prepare and submit annual sponsoring jurisdiction reports to OHCS
- Notify county tax officer of project construction/conversion completion to initiate tax exemption and program fee payment process, if applicable.
- Notify OHCS and county tax officer of project construction/conversion completion and occupancy.
- Under the tax exemption repayment option:
  - The program fee collection will begin within the first property tax year in which the completed eligible housing project is reflected in the property tax assessment roll.
- Under the alternative funding source repayment option:
  - The repayment of the intergovernmental agency loan will commence typically within one year after the eligible housing project completion date, unless otherwise agreed upon by the sponsoring jurisdiction and OHCS in the Intergovernmental Agency Loan Agreement.
- **Manage program and project compliance and address noncompliance.**
- Collaborate with county tax officer in collections processes in the event of delinquency or default and ensure repayment of intergovernmental agency loan.

### **Responsibilities and tasks for county tax officer**

#### **Overall responsibilities:**

- Assist in determining the Increment Tax Differential and thus program fee if applicable.
- Record MIRL eligible housing projects in local property records and provide required notices to OHCS and the SJ.
- Under the tax exemption repayment option:
  - Process tax exemption and collect annual program fee.
  - Distribute appropriate amounts of program fee to fire district (if applicable) and OHCS.

#### **Tasks:**

- Collaborate with the sponsoring jurisdiction intending to implement the MIRL program.
  - Set up or modify processes that will enable county tax officer to execute MIRL program tasks.
- If the county is the sponsoring jurisdiction, sign Intergovernmental County Master Agreement with OHCS (county representative signs on behalf of county tax officer).
- Upon request from sponsoring jurisdiction, calculate the appropriate property tax amounts as provided in SB 1537, section 27 (as amended by SB 48 (2025)) for a project application.
- Once sponsoring jurisdiction provides copy of grant agreement and project-specific ordinance/resolution:
  - Under the tax exemption repayment option: Exempt the eligible housing project property from ad valorem property taxation in accordance with SB 1537 and SB 48.
  - Assess and tax the nonexempt property as other similar property is assessed and taxed.
  - Submit report to sponsoring jurisdiction and to OHCS through Procorem setting forth county tax officer's estimate of the real market value of the eligible housing project property and the property taxes that would have been collected on the eligible housing project property if it were not exempt.
- Receive and document notices from the sponsoring jurisdiction regarding the status of MIRL projects.
- Under the tax exemption repayment:
  - Program fee amount on the assessment and tax rolls of the county and include it in tax statement of each tax account that includes exempt eligible housing project property.
  - Collect annual property taxes (on nonexempt property) and program fees (on eligible housing project property). Distribute out of program fee the appropriate amount, if any, due to fire district.
  - Transfer net program fee to OHCS in repayment of MIRL agency loan.
  - Inform sponsoring jurisdiction and OHCS if payment of property taxes (on nonexempt property) or program fee (on eligible housing project property) is delinquent.

- In event of developer or fee payer default (for any reason, including but not limited to delinquent payment of property taxes or program fees), assist in collections process as necessary.
- Disqualify eligible housing project property from tax exemption in accordance with SB 1537 and SB 48.

**Responsibilities and tasks for project applicant/developer**

- Propose and develop MIRL funded project
- Pay program fee or other determined repayment, if applicable
- Meet the expectations and requirements set forth in the Project Funding Agreement

**Tasks:**

- Confirm project eligibility for MIRL funding.
- Connect with sponsoring jurisdiction and begin project application process
  - Prepare all project application materials
  - Submit project application
  - Provide any additional materials requested by sponsoring jurisdiction
- Upon sponsoring jurisdiction's provisional approval of application:
  - Affirm continued interest in MIRL project funding.
  - Assist sponsoring jurisdiction in assembling Intergovernmental Agency Loan Request materials.
- Provide updates and additional materials as requested during OHCS program Intergovernmental Agency Loan Request review period.
- Affirm continued interest in MIRL funding upon full or partial funding approval.
- Enter into a Project Funding Agreement with sponsoring jurisdiction.
- Receive project funding through a grant or a loan and apply funds to eligible costs as detailed in approved application.
- Develop the project.
- Notify sponsoring jurisdiction of all significant project updates and changes.
- Notify sponsoring jurisdiction of project construction/conversion completion.
- Provide annual reporting to sponsoring jurisdiction.

- Whichever option applies, pay the program fee through property tax collection process until MIRL Intergovernmental Agency Loan is completely repaid OR repay the loan issued by the sponsoring jurisdiction.
- Maintain project compliance as outlined in compliance narrative and as required by Project Funding Agreement.

# State of Oregon Moderate-Income Revolving Loan (MIRL)

## Policy Session June 2, 2026

- ◆ Denise Swanson
- ◆ Shannon Callahan



# Moderate-Income Revolving Loan (MIRL) Program Overview



Established by Senate Bill  
1537 (2024)



\$75M State General Fund  
allocation to create a  
revolving loan fund



Provides no-interest  
loans to Cities or  
Counties



Housing for households  
≤120% AMI



New construction and  
conversion of non-  
residential buildings

# How the Program Works

State lends to  
Sponsoring  
Jurisdiction (City or  
County)

Jurisdiction  
provides grant or  
loan to developer

Developer builds  
eligible housing

Repayment from  
City or County

Affordability &  
monitoring  
requirements for  
≥10 years

# Sponsoring Jurisdiction Role: Program Creation

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City or County may serve as sponsoring jurisdiction

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Decide whether to establish program

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Coordinate with County Tax Assessor

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Develop 1) compliance plan, 2) application process, and 3) program requirements

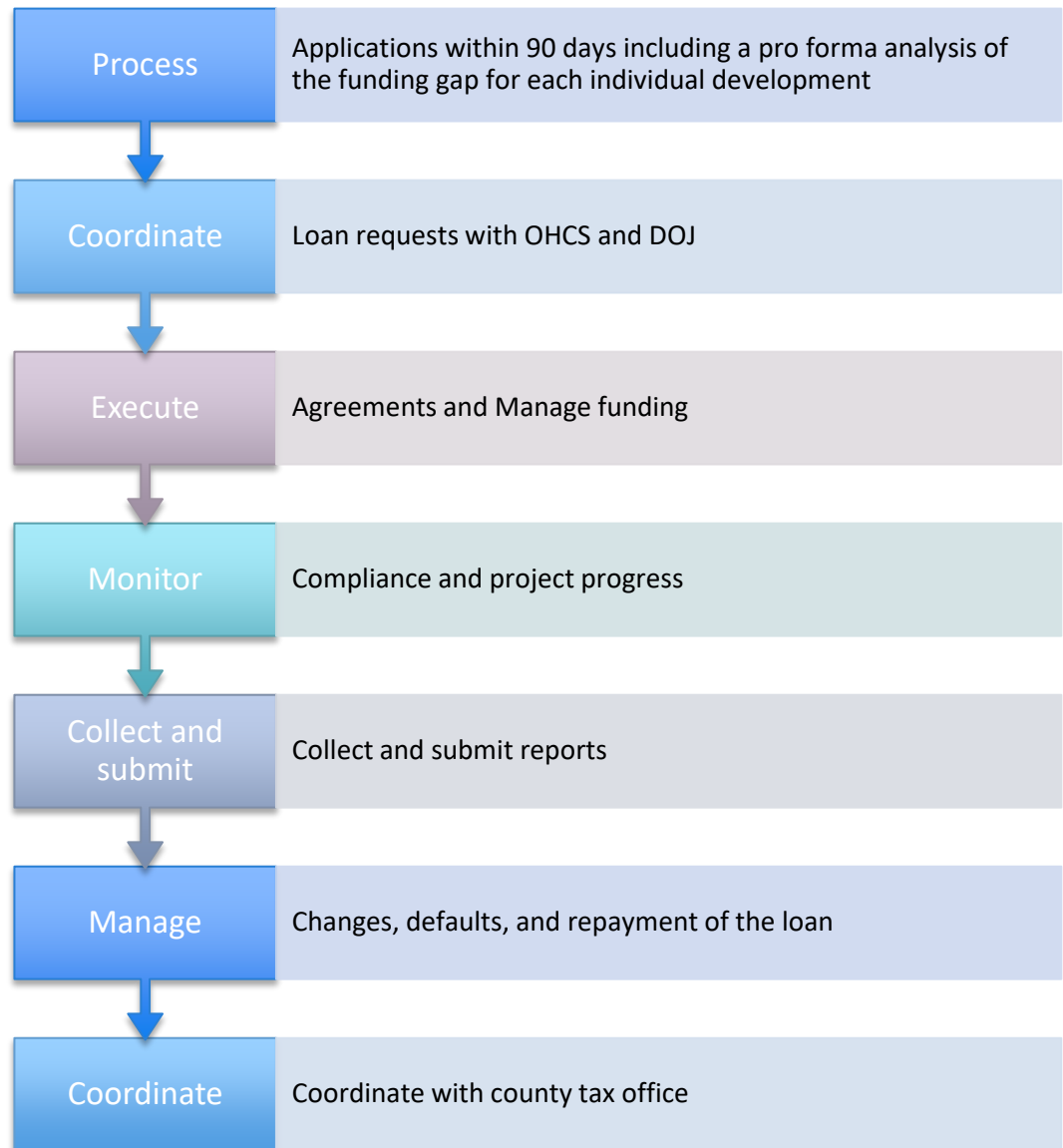
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Adopt ordinance/resolution and execute legal agreements with state

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Launch and manage program

Sponsoring  
Jurisdiction  
Role:  
Administration  
& Compliance



# Repayment = Tax Deferral \*



PROPERTY  
IMPROVEMENTS  
EXEMPT FROM  
PROPERTY TAXES  
(~10 YEARS)



DEVELOPER PAYS A  
PROGRAM FEE  
INSTEAD



PROGRAM FEE  
REPLACES  
TRADITIONAL  
PROPERTY TAX ON  
IMPROVEMENTS



FEE REVENUE  
USED TO REPAY  
STATE LOAN  
(OHCS)

*\*Jurisdiction may also choose to use another source funds other than property tax deferral to repay loan*

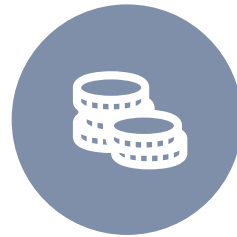
# Potential Program Benefits



EXPANDS  
HOUSING SUPPLY  
UP TO 120% AMI



CREATES A LOCAL  
FUNDING TOOL



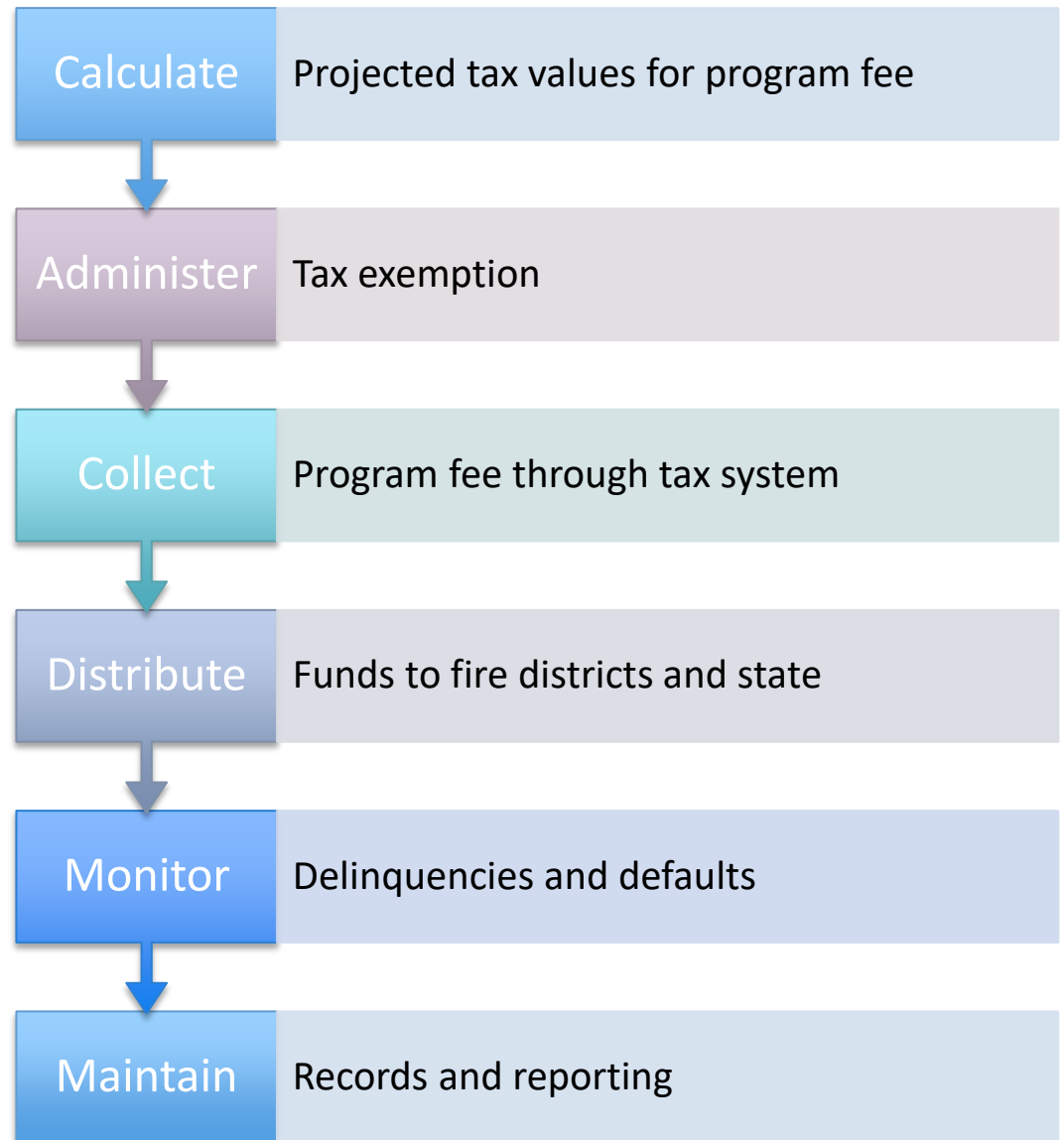
NO-INTEREST  
FINANCING  
POTENTIALLY \*  
LOWERS  
DEVELOPMENT  
COSTS



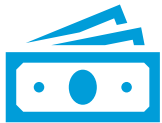
SUPPORTS  
INFRASTRUCTURE,  
REDEVELOPMENT,  
LAND WRITE-  
DOWNS

*\* For projects above 80% AMI, prevailing wage and reporting requirements may outweigh the benefits of a no-interest loan.*

# County Assessor / Tax Office Role



# Key Considerations



No dedicated funding for program setup, administration, or compliance.



Loan will require repayment in case of developer default



Legal, financial, underwriting and program management functions needed



Ongoing reporting and compliance responsibilities for 10+ years per project