



Moderate-Income Revolving Loan Program (MIRL) Program Manual

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1. Program Overview

The Moderate-Income Revolving Loan (MIRL) Program was established by Senate Bill 1537 in the 2024 Legislative Session and amended by Senate Bill 48 in the 2025 Legislative Session. MIRL is intended to support and expand local housing production across the state through a revolving loan structure.

SB 1537 and 48 authorize Oregon Housing and Community Services (“OHCS” or “Department”) to make no-interest loans (“Intergovernmental Agency Loan”) to cities and counties (“Sponsoring Jurisdictions” or “SJ”). Sponsoring Jurisdictions must then grant or loan these funds to Developers to support the development of homeownership or rental housing units for households earning 120 percent or less of the Area Median Income (AMI). Sponsoring Jurisdictions have the option to repay their Intergovernmental Agency Loan from OHCS either through property tax exemptions or an alternative funding source. MIRL-funded housing will be subject to affordability requirements, which at minimum extend for the term of the Intergovernmental Agency Loan. OHCS will reinvest loan repayments back into the Program.

2. MIRL Program Funding

2.1. State MIRL Housing Funds

OHCS uses the Housing Project Revolving Loan Fund to make Intergovernmental Agency Loans to Sponsoring Jurisdictions (SJs). The Legislature allocated \$75 million to the Housing Project Revolving Loan Fund.

2.1.1. Funding Set-Aside

\$10 million is set aside for housing projects in rural areas until February 2027. This set-aside is intended to help address the unique development challenges that rural areas face. The [OHCS Geographic Designation Tool](#) allows SJs and Developers determine whether a project is located in a rural area as adopted for the MIRL program.

OHCS will monitor use of this set-aside and may offer these set-aside resources statewide if not fully subscribed by February 2027, two years after initial Program launch. OHCS may close the Program to non-rural SJs if the balance of funds becomes fully subscribed while resources remain in the rural set-aside.

2.1.2. Opening and Closing of MIRL Funding

OHCS will announce Program Funds availability through [Technical Advisories](#) and the [Moderate-Income Revolving Loan program webpage](#). Upon announcement of Program Fund availability, OHCS will allocate Program Funds to SJs on a first-come, first-reviewed basis.

OHCS will temporarily close the Program when available Program Funds are \$500,000 or less. OHCS will not review any Intergovernmental Agency Loan Requests submitted after closure notice. Upon closing, any outstanding Intergovernmental Agency Loan Requests will be returned to the SJ. Intergovernmental Agency Loan Requests received and returned will not retain their submittal date and will need to be resubmitted once the Program is reopened.

OHCS will reopen the Program as Program Funds are recycled or added into the Program and exceed \$500,000 in resource availability.

2.2. Local MIRL Housing Development Funding

SJs use the funds they receive through their Intergovernmental Agency Loan with the state to fund Developers to build Eligible Housing Projects.

2.2.1. Funding Amount

Project Funding is established on a project-by-project basis and is capped by the estimated difference in property taxes on improvements of the Project over the term of the Intergovernmental Agency Loan. See Appendix A Definitions for “Maximum Funding Amount” and “Tax Increment Differential” for detailed information on how to calculate.

The Intergovernmental Agency Loan is equal to the sum of the Project Funds, plus administrative fees for the SJ (5%) and County Tax Officer (1%). The administrative fees may be waived as requested by the SJ and County, respectively. Intergovernmental Agency Loan terms are typically 10 years and SJs have the ability to request up to 15 years.

2.2.2. Funding Options

SJs have two options to repay their Intergovernmental Agency Loan, which determines how Project Funds can be provided to the Developer:

1. Property Tax Exemption

SJs may repay their Intergovernmental Agency Loan through Program Fees collected from Developers / Fee Payers with property tax exemptions on MIRL-funded improvements. If this option is chosen, the SJ must provide Project Funding to the Developer as a grant.

2. Alternative Funding Source

SJs may repay their Intergovernmental Agency Loan by pledging their “full faith and credit and taxing authority” and an alternative source of revenue that is acceptable to OHCS, without relying on property tax exemptions. If this option is chosen, the SJ must provide Project Funding to the Developer as a loan.

This flexibility allows SJs to tailor the Program to their local circumstances and enables Projects in urban renewal areas or where other property tax exemptions are in place.

3. Eligibility Criteria

3.1. Housing Project Eligibility

To be eligible for Program Funds, Eligible Housing Projects must meet each of the following requirements for rental housing and for-sale homeownership development, respectively. This is a summary of key eligibility requirements, not a comprehensive description of all Program requirements.

	For-Sale Homeownership Development	Rental Housing Development
Activity Type	Construct new housing units or convert a building from nonresidential use to housing.	Construct new housing units or convert a building from nonresidential use to housing.
Housing Type	A single-family dwelling, middle housing as defined in ORS 197A.420, or a multifamily dwelling.	Middle housing as defined in ORS 197A.420, an accessory dwelling unit as defined in ORS 215.501, a multifamily dwelling, or any other form of affordable housing or moderate-income housing.
Affordability Requirements	Affordable to, and sold to, households with very low income, low income, or moderate income, as those terms are defined in ORS 458.610, continuously from initial sale for a period set forth in an Intergovernmental Agency Loan Agreement of not less than the Intergovernmental Agency Loan Term. The Affordability Requirements shall remain in place for a minimum of 10 years and throughout the entire time that the Intergovernmental Agency Loan is outstanding.	Rented to households with very low income, low income, or moderate income, as defined in ORS 458.610, and rented at a monthly rate (rent minus a utility allowance set by the SJ) that is affordable to those households, for a period set forth in an Intergovernmental Agency Loan Agreement of not less than the Intergovernmental Agency Loan Term. The Affordability Requirements shall remain in place for a minimum of 10 years and throughout the entire time that the Intergovernmental Agency Loan is outstanding.

3.2. Eligible Costs

The following costs of an Eligible Housing Project are eligible for Project Funding:

- Infrastructure Costs, including, but not limited to, System Development Charges;
- Predevelopment Costs, including, but not limited to, land acquisition costs;
- Construction Costs, including eligible soft costs; and
- Land Write-Downs.

Only Eligible Costs incurred no more than 12 months before the date that the Eligible Housing Project received local site approval may be reimbursed through Project Funding.

4. Affordability Requirements

Sponsoring Jurisdictions (SJs) must adopt affordability requirements for their Local MIRL Program that meet or exceed the minimum requirements laid out below. Program Funds may be used only for Eligible Housing Projects that comply with the Affordability Requirements for that housing development type. Each housing unit must remain affordable for a period set forth in an Intergovernmental Agency Loan Agreement of not less than the term of the Intergovernmental Agency Loan. The Affordability Requirements shall remain in place for a minimum of 10 years and throughout the entire time that the Intergovernmental Agency Loan is outstanding.

4.1. Requirements for Homeownership For-Sale Development

Eligible Housing Projects must be sold at a price affordable to households with Very Low Income, Low Income, or Moderate Income as defined in ORS 458.610.

When determining whether the sales price is affordable, SJs and Developers must assume a 35 percent front-end housing expense ratio (percent of income that goes toward housing) and a down payment amount that is typical for the area. [OHCS's website](#) has guidance on how to calculate sales price. OHCS will review the initial sales price calculation for adherence to the estimation assumptions provided, local market specifics, and reasonability.

4.2. Requirements for Rental Housing Development

Eligible Housing Projects must be rented to households with Very Low Income, Low Income, or Moderate Income, as those terms are defined in ORS 458.610, and rented at a monthly rate (rent plus utility allowance) that is affordable to those households.

The monthly rate (rent minus utility allowance) may not exceed the amount that is affordable for a household with the maximum AMI for the unit in question. Developers and SJs are responsible for ensuring that monthly rates do not exceed the applicable maximum monthly rates posted on the OHCS [Moderate-Income Revolving Loan webpage](#). Monthly rates may not exceed the rates described in the Project Application and must fall within the range established by the SJ in its

Originating Ordinance or Resolution (see Section 5.1: Getting Started: Creating a Local MIRL Program).

4.3. Affordability Covenants

As part of each Intergovernmental Agency Loan Agreement, OHCS will provide corresponding riders that must be attached to the Project Funding Agreement between the SJ and the Developer. The riders will contain, among other components, an affordable housing covenant that will impose the Affordability Requirements on the Eligible Housing Project. The SJ must record the OHCS-provided rider against the property to be developed in the land records for the jurisdiction in which the property is located.

If Program Funds are combined with other funding sources or if the SJ establishes more restrictive standards in its Originating Ordinance or Resolution, the most restrictive income and rent or sale price requirement applicable to the Eligible Housing Project units shall control.

4.4. Mixed-Income & Mixed-Use Considerations

Units that do not comply with the Affordability Requirements and buildings used for non-housing purposes may be included in the overall project but are ineligible for Project Funding.

A SJ seeking to fund a Project that includes unrestricted units may do so by providing segregated costs for the Eligible versus Ineligible project components in their Intergovernmental Agency Loan Request. For a rental housing Project that includes unrestricted, market-rate units, OHCS will use Oregon Administrative Rules chapter 813, division 380, to ensure that Program Funds are used only for those units that satisfy the Affordability Requirements. To qualify for Project Funding, Affordability Requirements must apply to a minimum of 10 units or 10 percent of the total units in a Project, whichever is greater.

5. Getting Started: Creating a Local MIRL Program

5.1. Establishing Local MIRL Program through Ordinance or Resolution

Local communities that wish to use MIRL funds must first have their Sponsoring Jurisdiction (SJ) adopt an Originating Ordinance or Resolution to create a Local MIRL Program. OHCS will not begin the formal review process for Project requesting MIRL funding if an Originating Ordinance or Resolution is not yet executed by the SJ. This local program adoption is what will allow the SJ to offer resources to Developers to support new housing development. Through the adopted program, SJs establish details for the application process, requirements for program compliance, and describe how the SJ plans to monitor and support the MIRL-Funded Projects.

An SJ may amend the Originating Ordinance or Resolution at any time but is required to notify OHCS when that occurs. The SJ shall ensure that the amendments to the Local MIRL Program adhere to the state MIRL Program rules and requirements. Amendments may not apply to Project applications submitted to an SJ before the effective date of the amended Originating Ordinance or Resolution.

5.1.1. Mandatory Components of Local MIRL Programs

At a minimum, the Originating Ordinance or Resolution must include:

1. The kinds of Eligible Housing Projects for which a Developer may seek Project Funding;
2. Any additional eligibility requirements imposed on Projects or Developers by the SJ;
3. A definition of “local site approval”;
4. A Compliance Plan outlining how the SJ intends to ensure compliance with the minimum MIRL program standards established by the statutes and this Program Manual and the local standards that have been set for their program (this is inclusive of Affordability Covenants and Compliance and Monitoring); and,
5. A description of how the SJ will calculate the utility allowance for a given unit in an Eligible Housing Project.

5.1.2. Discretionary Components of Local MIRL Programs

At the SJ’s discretion, more restrictive requirements can be added to their Local MIRL Program through the Originating Ordinance or Resolution. Examples include:

- Require or incentivize deeper affordability or longer affordability period than is required by the minimum Affordability Requirements.
- Restrict the type of housing that is eligible for the Program (e.g., only rental housing, only for-sale housing, only middle housing types, etc.).
- Establish restrictions related to the size and number of Projects, and/or certain costs associated with the Program.
- Incentivize Projects in certain locations (e.g., infill initiatives, Urban Renewal Areas).
- Set caps on Project Funds lower than the maximum amount allowed under SB 1537 and 48.
- Allow Project Funds to be calculated based upon an Intergovernmental Agency Loan Term longer than the default ten (10) years, up to a maximum of 15 years. OHCS will not approve Intergovernmental Agency Loan Requests with Loan Terms longer than 15 years.

5.2. Intergovernmental Master Agreement

Once an SJ adopts an Originating Ordinance or Resolution, the SJ will enter into an Intergovernmental Master Agreement with OHCS. This contains the general terms and conditions

that will apply to any subsequent Intergovernmental Agency Loan Agreements between OHCS and the SJ, including required attestation that the SJ has consulted with the governing body of any city or county with territory inside the boundaries of the SJ. The Intergovernmental Master Agreement will include the templates to be used by the SJ including, the Intergovernmental Agency Loan Agreement and associated riders that will be attached to the Project Funding Agreement under the Local MIRL Program.

NOTE: Not all legal agreements necessary for the Local MIRL Program's projects will be provided by OHCS in the Intergovernmental Master Agreement. Other legal documents including the Project Funding Agreement, and Project-Specific Ordinance will be drafted by the SJ. OHCS will provide suggested templates on the OHCS MIRL webpages for any legal documents not specifically provided.

5.2.1. If SJ is a City, Intergovernmental County Agreement Also Required

If the SJ is a city, it is also required that the respective county in which the city is located enter an Intergovernmental County Agreement with OHCS. This is because the County Tax Officer is responsible for calculating the Tax Increment Differential, which is the basis for determining the Maximum Funding Amount for a Project. The County Tax Officer also has additional responsibilities if the SJ is repaying its Intergovernmental Agency Loan with Program Fees collected from Developers / Fee Payers with property tax exemptions on MIRL-funded improvements.

If the SJ is a city, it must provide OHCS with the responsible county government contact when the SJ initiates the Intergovernmental Master Agreement. OHCS will then initiate the Intergovernmental County Agreement with the county.

5.2.2. Initiate Intergovernmental Master Agreement with OHCS

To start the Intergovernmental Master Agreement process with OHCS, complete the Intergovernmental Master Agreement form on the [Moderate-Income Revolving Loan webpage](#).

6. Housing Project Applications

6.1. Housing Project Application Submission

Sponsoring Jurisdictions (SJs) must establish a process for soliciting and evaluating local Project Applications, which includes forms, required information, and deadlines by which a Developer must submit a Project Application for Project Funding with respect to an Eligible Housing Project.

SJs shall require at minimum that the following be included in the Project Application:

1. A description of the Eligible Housing Project, including but not limited to legal description, type (rental or for-sale/homeownership), unit mix and size, designated Fee Payer (if other

than Developer), and the distribution of unit AMI, including market rate, very low income, low income, and moderate income;

2. Contact information that includes but is not limited to the Developer, appraiser, lender (if applicable), and architect;
3. An itemized description of the Eligible Costs (see Section 3.2: Eligible Costs) for which the Project Funding is sought;
4. The proposed construction timeline for the Eligible Housing Project;
5. An OHCS-provided Pro Forma demonstrating that the Project would not be economically feasible but for receipt of the Program Funds. The Pro Forma should be supported by the following documents:
 - a. Letter of Intent
 - b. Construction Contract
 - c. Term Sheet
 - d. Jurisdiction Tax Code
6. An appraisal from a Certified Appraiser estimating the value of the Eligible Housing Project Property after completion of the Eligible Housing Project. The SJs may allow for other similar valuation methods other than an appraisal from a Certified Appraiser if approved by OHCS;
7. A Phase I environmental report. It is the SJ's responsibility to review and make determinations on this report. Developers are required to comply with all applicable environmental laws. Projects must obtain appropriate environmental studies with respect to Project development and mitigate any negative conditions found through those studies to the SJ's satisfaction;
8. Documentation of site control, such as:
 - a. Option to Purchase
 - b. Purchase and Sale Agreement
 - c. Copy of Deed
 - d. Appraisal
9. Integrity form (see Section 7.3.2: Completeness Review);
10. Affirmatively Furthering Fair Housing marketing plan or an equivalent description of how the Project will be marketed to the least likely to apply if the Project is For-Sale (Homeownership); and
11. Any other information, documentation or attestation that the SJ or OHCS considers necessary or convenient for the Project Application review process, including information

required for OHCS to perform its completeness review (see Section 7.3.2: Completeness Review).

Each SJ's Local MIRL Program must require information sufficient for the SJ to determine that the Project will provide decent, safe and sanitary housing for very low, low- or moderate-income persons.

6.1.1. Considerations for Land Divisions

OHCS anticipates that generally, Developers will submit a separate Project Application for each lot on which they propose to develop an Eligible Housing Project.

If SJs allow Developers to submit Project Applications for unsubdivided land that Developers will later subdivide as part of the Project, SJs must consider and plan for completion timing, responsibility for Program Fee or Loan Repayment, valuation variance, long-term tracking of the lots once they are subdivided, and other factors. OHCS may approve an Intergovernmental Agency Loan Request that includes unsubdivided land that a Developer plans to subdivide as part of the Project only if a SJ has a clear plan in place for how to address these issues.

6.2. Housing Project Application Review and Selection

When a Developer submits a Project Application to a SJ, the SJ has 90 days to determine if the Project Application meets the standards established in the Local MIRL Program.

At its sole discretion, the SJ may extend this 90-day timeframe if the volume or complexity of Project Applications would make timely completion of the review process unlikely. The SJ may consult with the Developer if there are outstanding questions, or the Project Application is incomplete. The SJ may also ask the Developer to amend or supplement the Project Application.

During its Project Application review process, the SJ shall:

1. Verify the Project Application contains all required components and meets all Local MIRL Program requirements.
2. Request that the County Tax Officers calculate the amounts described in section 27 of SB 1537 (2024). To complete this process, County Tax Officers will need the real market value of the Eligible Housing Project Property as provided by the SJ as outlined in section 13 of SB 48 (2025).

NOTE: SJ will work with their County Tax Officers to complete this process and should consult their legal counsel for guidance, if needed.

3. Set the Loan Term for a period not to exceed ten (10) years unless an alternative term length (no greater than 15 years) has been established through the Originating Ordinance or Resolution. The SJ can choose to have a shorter Intergovernmental Agency Loan Term

under the Alternative Source option, however even if the Loan Term is shorter than 10 years, the affordability period may not be less than 10 years.

4. Establish the Tax Increment Differential, as determined by the County Tax Officer.
5. Set the Maximum Funding Amount that may be awarded to the Developer.
6. Make one of the following determinations with respect to the Project Application:
 - a. Provisional Approval. If the SJ approves the Project Application, the approval is provisional. The SJ then must submit the Provisionally Approved Application and the SJ's Intergovernmental Agency Loan Request to OHCS for review.
 - b. Provisional Approval on Different Terms. The SJ may provisionally approve the Project Application on terms other than those requested in the Project Application. The SJ must verify that the Developer still wishes to proceed with the Project Application. If the Developer accepts the revised terms, the SJ must submit the Provisionally Approved Application and the SJ's Intergovernmental Agency Loan Request to OHCS for review.
 - c. Rejection. If the SJ rejects the Project Application, the SJ is responsible for informing the Developer of the rejection. Project Application rejections are final, but a Developer may submit a new application at any time if the SJ permits.

7. Intergovernmental Agency Loan Request

When a Sponsoring Jurisdiction (SJ) provisionally approves a Project Application, it must submit the Provisionally Approved Application to OHCS for review as part of the Intergovernmental Agency Loan Request.

Provisional approval by an SJ does not guarantee the Project will be awarded Project Funding.

7.1. Submitting an Intent to Apply for State MIRL Funds

When an SJ is preparing to submit an Intergovernmental Agency Loan Request to OHCS, the SJ must complete the Intent to Apply form on the [Moderate-Income Revolving Loan webpage](#). This will prompt OHCS to set up a Procorem WorkCenter for the SJ, which will enable the SJ to submit documents to OHCS.

OHCS will notify the SJ of how to access the Procorem WorkCenter shortly after receipt of the Intent to Apply (typically within 3-5 business days).

7.2. Submitting an Intergovernmental Agency Loan Request

Once the Procurement WorkCenter has been opened, the SJ must submit all required materials, including the following:

1. Provisionally Approved Application;
2. Intergovernmental Agency Loan Request document;
3. SJ lead contact information;
4. Documentation and/or certification of Intergovernmental Agency Loan Repayment funding source;
5. Documentation and/or certification of Developer funding mechanism (grant or loan);
6. Copy of Intergovernmental Master Agreement; and,
7. Any additional documentation from the SJ as requested by OHCS during application review process, including the proposed loan repayment schedule.

7.3. OHCS Review of Intergovernmental Agency Loan Request

OHCS will review information provided in the Intergovernmental Agency Loan Request for accuracy and completeness. OHCS will confirm that there are adequate Program Funds to fund the requested Intergovernmental Agency Loan. OHCS will confirm that the financial assumptions are reasonable. OHCS will confirm that, but for the Program Funding, the Project would not meet minimum cash flow needs. OHCS will confirm that the risks associated with repayment of the Intergovernmental Agency Loan, including any proposed Alternative Funding Source, are acceptable to OHCS.

7.3.1. Initial Review Considerations

Intergovernmental Master Agreement

Upon submission of the Intergovernmental Agency Loan Request, OHCS will verify that the SJ has entered into an Intergovernmental Master Agreement with OHCS. If not, OHCS will reject the Intergovernmental Agency Loan Request as incomplete until such time as an Intergovernmental Master Agreement has been executed.

SJs are responsible for ensuring that the Intergovernmental Agency Loan Request and Provisionally Approved Application comply with the SJ's Originating Ordinance or Resolution requirements. OHCS is not responsible for ensuring compliance but may reach out to an SJ for clarification if OHCS believes there is a potential conflict between the Originating Ordinance or Resolution and the Intergovernmental Agency Loan Request.

Sufficient Funds Review

OHCS will review Intergovernmental Agency Loan Requests on a first-come, first-reviewed basis, based on the date which the SJ submits an Intergovernmental Agency Loan Request and all required materials in the Procorem WorkCenter.

OHCS will first determine if there are sufficient Program Funds remaining using the following process, and will review the Intergovernmental Agency Loan Request only if sufficient Program Funds are available to fund the Project:

1. If the Project can be fully funded utilizing available Program Funds, OHCS will review the Provisionally Approved Application for completeness.
2. If Program Funds are available in an amount equal to or greater than \$500,000, but less than the amount needed to fund the Project in full, OHCS will work with the SJ to determine if the Developer wants to withdraw the Provisionally Approved Application until more Program Funds are available or move forward with the available Program Funds. Developers that move forward with partial funding are not eligible for additional resources associated with the same Project when more Program Funds become available.
3. If the Developer is interested in the available Program Funds, OHCS will work with the Project Applicant and SJ to amend relevant Intergovernmental Agency Loan Request documents and then determine whether the Project can meet underwriting requirements with the available Program Funds. If yes, OHCS will review the Provisionally Approved Application for completeness.
4. If the Developer withdraws the Provisionally Approved Application, or OHCS determines that the Project cannot meet underwriting requirements with the available Program Funds, OHCS will not review the Intergovernmental Agency Loan Request and will return it to the SJ due to a lack of funding.

Intergovernmental Agency Loan Requests that pass these initial checks will have Program Funds tentatively reserved for their Project while OHCS makes a final determination on their Request. This tentative reservation of Program Funds expresses no commitment that OHCS will ultimately approve the Intergovernmental Agency Loan Request.

- If the Request is ultimately approved, the SJ and OHCS will enter into an Intergovernmental Agency Loan Agreement.
- If the Request is ultimately denied, the tentatively reserved Program Funds will become available for other Intergovernmental Agency Loan Requests.

7.3.2. Completeness Review

After review of the Intergovernmental Master Agreement and sufficient funds, OHCS will review the Intergovernmental Agency Loan Request for completeness. To be considered complete, it must satisfy all of the following requirements:

1. The Provisionally Approved Application contains all of the components required by Section 6.1: Housing Project Application Submission.
2. The Provisionally Approved Application includes a ‘sources and uses’ statement as part of a completed Pro Forma.
 - a. The sources and uses statement must identify each separate funding source and use of funds and the estimated timing of final approval for each. The sources and uses must balance fully and no source may be unknown.
 - b. For rental housing Projects, both the sources and uses and the Pro Forma must include projections with Program Funds and without Program Funds.
 - c. For for-sale homeownership Projects, the sales price with and without Program Funds. This will help OHCS determine the need for the Program Funds.
3. The Pro Forma demonstrates that the Project would not be financially feasible but for the Program Funds requested.
 - a. For rental housing Projects, the Provisionally Approved Application and Pro Forma must use a 30-year cash flow analysis based on current economic forecasts. The Provisionally Approved Application’s assumptions must be reasonable for the market and the Pro Forma must contain all standard and/or known costs.
 - b. For for-sale / homeownership Projects, the Provisionally Approved Application and Pro Forma must demonstrate timing of expenses and sales proceeds such that the cash flow is positive in each year of construction.
4. The SJ provides contact information for its staff lead for the Intergovernmental Agency Loan Request.
5. The SJ provides a completed draft Amortization Schedule in the Intergovernmental Agency Loan Request document provided by OHCS.) that shows the amount of requested Program Funds, and the fire district fees, if applicable.
6. The Pro Forma demonstrates that the Project’s maximum per unit expenses are reasonable and supported by historical, third party, or industry standard analysis. OHCS will evaluate each proposed Project based on relevant factors, including but not limited to the following:
 - a. Project cost, including the reasonableness of cost per unit;
 - b. Developer fees and overhead;
 - c. Consultant fees;
 - d. Builder profit and overhead;
 - e. Sources and uses of funds;
 - f. Total financing planned for the Project, including the ability of the Project to service debt;

- g. For rental housing Projects, operating expenses are reasonable. OHCS may require Developers to submit documentation to support the long-term operating budget;
 - h. The proceeds or receipts expected to be generated by reason of tax benefits;
 - i. The use of federal funds and other assistance; and
 - j. Other factors that may be relevant to the economic feasibility of the Project such as the area economy or the housing market.
- 7. The Project includes a reasonable construction Contingency. Generally, OHCS anticipates construction Contingencies to be 5-10 percent of the Project's total cost.
- 8. Construction timelines are reasonable and provide for the Project to be completed within three (3) years following the date on which the Project Funds are distributed to the Developer.
- 9. A Compliance Narrative is provided that explains how the Eligible Housing Project complies with the Local MIRL Program as outlined in the SJ's approved Compliance Plan (see Appendix B for OHCS recommendations for what could be included in this plan).
- 10. A copy of a determination letter from the Bureau of Labor and Industries (BOLI) is provided, stating whether or not prevailing wage laws will apply to the Project. Although BOLI is the only body that can make a determination regarding the applicability of prevailing wage requirements, as a general matter the Project may be subject to state prevailing wage requirements if the Developer receives \$750,000 or more in public funds and does not satisfy all of the following:
- 11. For rental housing, 60 percent or more of the occupants have incomes less than or equal to 60 percent of AMI. For for-sale / homeownership housing, 60 percent or more of the occupants have incomes less than or equal to 80 percent of AMI;
 - a. The Project is not more than four stories in height; and
 - b. No portion of the Project, even if not constructed or contracted for construction by the Developer, constitutes public works.

NOTE: This notice does not constitute legal advice. OHCS is not responsible for the determination of prevailing wage applicability. At any time during development, any change in the Project could cause the BOLI determination to be void. Developer should request updated determinations from BOLI if there are changes to the Project after receiving a determination letter.

- 12. Organizational documents are provided for a Developer that is a corporation (including a nonprofit corporation), LLC, partnership, or any other type of entity.
- 13. Satisfactory proof of Site control is provided.

14. Submission of appraisal for the Eligible Housing Project Property and all Nonexempt Property that accounts for the Affordability Requirements.
15. The Developer certifies that neither the Developer nor any representative, principal, or member of Developer:
16. Is currently under investigation by a public body for, has a pending claim, indictment, suit, action, or other proceeding against them for, or has been convicted of or been determined by an administrative or judicial (whether criminal or civil) order or judgment to have committed fraud, misrepresentation, theft, embezzlement, misuse of funds, or any other act of moral turpitude (including but not limited to any felony or malicious behavior) within the previous 10 years;
17. Is or has been involved in a bankruptcy proceeding within the previous 10 years;
 - a. Has been debarred or otherwise sanctioned by any local, state or federal agency;
 - b. Owes outstanding charges to OHCS from other applications or projects;
 - c. Failed to complete a project in accordance with requests or certified plans presented to OHCS or any other local, state, or federal agency, except as disclosed in the Provisionally Approved Application;
 - d. Failed to complete a project within the time schedule required or budget indicated, except as disclosed in the Provisionally Approved Application;
 - e. Failed to effectively utilize previously allocated local, state, or federal funds and was notified of such failure to meet appropriate utilization, except as disclosed in the Provisionally Approved Application;
 - f. Has been found to be in non-compliance with program rules as evidenced by the Department or other public allocating agency project monitoring and missed the cure time deadline given in writing.
18. Submission of a satisfactory Affirmatively Furthering Fair Housing Marketing plan or an equivalent description of how the Project will be marketed to the least likely to apply if the Project is For-Sale / Homeownership.
19. Submission of any additional documentation requested by the Department.

7.3.3. Completeness Decision

OHCS staff will reach out to the SJ to share concerns as discovered during its review, but ultimately it is the SJ's responsibility to submit quality Intergovernmental Agency Loan Requests. OHCS does not warrant, is not liable for, and does not take responsibility for Projects that are unsuccessful.

Complete

If the Intergovernmental Agency Loan Request meets all criteria in Section 7.3.2: Completeness Review, OHCS will approve the Intergovernmental Agency Loan Request as complete, subject to

execution of an Intergovernmental Agency Loan Agreement for the Project. OHCS will notify the SJ of its approval.

Incomplete

If OHCS determines that an Intergovernmental Agency Loan Request is incomplete, staff will inform the SJ, which will take one of the following actions, as applicable:

1. If the Intergovernmental Agency Loan Request is incomplete because an item is missing or incomplete that was the SJs responsibility to submit, the SJ may add the item and resubmit the Intergovernmental Agency Loan Request to OHCS.
2. If the Intergovernmental Agency Loan Request is incomplete because an item is missing or incomplete that was the Developer's responsibility to submit, the SJ may consult with the Developer to resolve the issue. The SJ may reconsider the Project Application after the Developer revises and resubmits it. If the SJ provisionally approves the revised Project Application, the SJ may resubmit an Intergovernmental Agency Loan Request for the revised Project Application to OHCS.
3. The SJ may reject the Provisionally Approved Application. The rejection of a Provisionally Approved Application is final and may not be appealed.

Generally, incomplete Intergovernmental Agency Loan Requests (SJ is at fault) or incomplete Provisionally Approved Applications (Developer is at fault) will have a reasonable period of time to cure or supplement, and will not lose their tentative resource hold during that period. Reasonable means 14 days unless OHCS determines there is good cause to allow for a longer period.

NOTE: Though the rejection may not be appealed, the Developer may reapply for Project Funding within the SJ's parameters for the same or another Eligible Housing Project. If the subsequent application is for the same Project, modifications to the Project Application to resolve the causes for the rejection are highly encouraged.

8. Intergovernmental Agency Loan Agreement

After receiving notice that OHCS has approved an Intergovernmental Agency Loan Request, the Sponsoring Jurisdiction (SJ) shall notify the Developer and confirm the Developer's continued interest in the Project Funds. Once verified, the SJ will enter into an Intergovernmental Agency Loan Agreement with OHCS in the form set forth as an exhibit to the Intergovernmental Master Agreement between OHCS and the SJ.

The Intergovernmental Agency Loan Amount shall be equal to the sum of the following:

1. The approved Project Funds;
2. An amount equal to five percent of the Project Funds (to reimburse the SJ for the costs of administering the Local MIRL Program, unless waived by the SJ); and

3. An amount equal to one percent of the Project Funds (to reimburse the County Tax Officer for their associated Local MIRL Program costs, unless waived by the County).

If OHCS and the SJ are unable to enter into an Intergovernmental Agency Loan Agreement, OHCS will reject the Intergovernmental Agency Loan Request as incomplete and the SJ will select one of the options listed under “Incomplete” in Section 7.3.3: Completeness Decision.

9. Project Funding Agreement with Developer and Local Adoption

When an Intergovernmental Agency Loan Agreement is fully executed, the Sponsoring Jurisdiction (SJ) will enter into a Project Funding Agreement with the Developer (See Section 9.1: Project Funding Agreements). Once the Project Funding Agreement is executed, the SJ will adopt a Project Ordinance or Resolution (See Section 9.2: Project Ordinance or Resolution). After the Project Ordinance or Resolution has been adopted, the SJ will notify OHCS and submit a copy of the Funding Agreement and the Project Ordinance or Resolution through its Procurement WorkCenter.

The submission of the Project Funding Agreement and Project Ordinance or Resolution will initiate disbursement of the total Intergovernmental Agency Loan Amount. Only when the Project Funding Agreement and Project Ordinance or Resolution are adopted and submitted will OHCS process and make payment on the Intergovernmental Agency Loan Agreement.

9.1. Project Funding Agreements

The SJ and the Developer shall enter into a Project Funding Agreement for the Approved Application. The Project Funding Agreement shall include, but is not limited to, the following:

1. **Project Funds.** The amount of the Project Funding awarded will be equal to the amount of the Intergovernmental Agency Loan less a six percent administrative fee for the SJ and County Tax Officer. SJs are responsible for retaining the funds for required administrative costs and allocating the required proportion to the County Tax Officer from the Intergovernmental Agency Loan total before disbursing Project Funds to the Developer.
2. **Project Funding Details.** A description of how the Project Funds are being provided to the Developer (loan or grant) and relevant terms and conditions.
3. **Rider.** An OHCS-provided rider (attached as an exhibit to the Intergovernmental Agency Master Agreement) that will contain terms, including but not limited to the Affordability Requirements, that will become part of the Project Funding Agreement.
4. **Program Requirements.** The Project Funding Agreement shall require the Developer to follow Program Requirements, including but not limited to:
5. **Affordability Requirements,** including measures to be taken to transition out of affordability at the end of the affordability period;

6. Approved Project specifications;
7. Developers must design, develop, and operate the Project to ensure it provides safe, sanitary, and habitable housing;
8. Repayment Terms and Schedule for Project Funds
 - a. Tax Exemption Repayment will follow the Program Fee repayment schedule. The Fee Payer will pay the Program Fee to the County Tax Officer annually instead of paying property taxes on the Eligible Housing Project Property. After year one, the Program Fee will increase each year by three percent over the previous year. The Program Fee will ultimately be used by the SJ to repay the Intergovernmental Agency Loan; or
 - b. Alternative Funding Source Repayment will require the Developer (or its successor or assignee) to repay the Project Funds according to a repayment schedule set forth in the Project Funding Agreement. The repayments may ultimately be used to repay the Intergovernmental Agency Loan, but the SJ may also use other funds, as identified in the Intergovernmental Agency Loan Request, to repay the Intergovernmental Agency Loan.
9. Reporting.
10. Additional Terms and Conditions. Additional provisions may be included in the SJ's Project Funding Agreement as long as they do not conflict with the rider, the Local MIRL Program, the Originating Ordinance or Resolution adopted by the SJ, or the Project Ordinance or Resolution adopted by the SJ.
11. Within three business days following execution of the Project Funding Agreement, the SJ shall record the Project Funding Agreement, with the applicable rider, in the real property records of the county in which the Project is located.

9.2. Project Ordinance or Resolution

Upon entering into a Project Funding Agreement with a Developer as described above, and prior to disbursing the Project Funds to the Developer, the SJ shall adopt a Project Ordinance or Resolution setting forth the details of the Eligible Housing Project that is the subject of the Project Funding Agreement, including but not limited to:

1. A description of the Eligible Housing Project;
2. An itemized description of the Eligible Costs;
3. The amount and terms of the Project Funding, including the amounts and terms of Alternative Funding Source if applicable;

4. If applicable, written notice that the Eligible Housing Project Property is exempt from property taxation in accordance with section 30 of SB 1537 (2024), as amended by section 17 of SB 48 (2025); and
5. A statement declaring that Project Funding has been awarded in response to the housing needs of communities within the SJ.

9.3. Intergovernmental Agency Loan Disbursement

Upon execution and recording of the Project Funding Agreement and adoption of the Project Ordinance or Resolution, the SJ will request that OHCS disburse the Intergovernmental Agency Loan Amount.

OHCS will not disburse the Intergovernmental Agency Loan Amount until the SJ submits a copy of the recorded Project Funding Agreement and the Project Ordinance or Resolution through the SJ's Procorem WorkCenter, and fulfills any other requirements set forth in the Intergovernmental Agency Loan Agreement. OHCS will disburse the Intergovernmental Agency Loan Amount to the SJ via ACH transmission in one lump sum.

Once the SJ receives the Intergovernmental Agency Loan Amount, the SJ shall retain and allocate the six percent administrative funds as provided in Section 8: Intergovernmental Agency Loan Agreement and distribute to the Developer the portion of the Intergovernmental Agency Loan that is equal to the total Project Funds.

The SJ must also forward to the County Tax Officer of the county in which the Eligible Housing Project is located a copy of the Project Funding Agreement, the Project Ordinance or Resolution, and any other material the SJ considers necessary for the County Tax Officer to perform their duties as required under sections 24 to 36 of SB 1537 (2024), as amended by SB 48 (2025), and the Project Ordinance or Resolution. The SJ will provide any additional materials reasonably requested by the County Tax Officer in connection with performance of these duties.

9.4. Tax Exemption by County Tax Officer (if applicable)

This Section 9.4 applies only to Projects using Tax Exemption Repayment.

For Projects using Tax Exemption Repayment, upon receipt of a copy of the Project Funding Agreement and Project Ordinance or Resolution from the SJ, the County Tax Officer of the county in which the Eligible Housing Project Property is located shall:

1. Exempt the Eligible Housing Project Property from ad valorem property taxation in accordance with SB 1537 (2024), as amended by SB 48 (2025);
2. Assess and tax the Nonexempt Property in the tax account as other similar property is assessed and taxed; and

3. Submit a written report to the SJ, setting forth the County Tax Officer's estimate of the amount of:
 - a. The real market value of the exempt Eligible Housing Project Property; and
 - b. The property taxes on the exempt Eligible Housing Project Property that would have been collected if the property were not exempt.

The exemption shall first apply to the first property tax year that begins after the completion of the Eligible Housing Project to which the Project Funding relates.

9.4.1. Exemption Disqualification

The Eligible Housing Project Property shall be disqualified from the exemption on the earliest of:

1. July 1 of the property tax year immediately succeeding the date on which the Program Fee payment obligation that relates to the Eligible Housing Project is repaid in full;
2. The date on which the annual Program Fee imposed on the Fee Payer under the Program becomes delinquent;
3. The date on which foreclosure proceedings begin as provided by law for delinquent Nonexempt Taxes assessed with respect to the tax account that includes the Eligible Housing Project; or
4. The date on which a condition specified in section 33(1)-(2) of SB 1537 (2024), as amended by SB 48 (2025), or Section 11.1 of this Manual occurs.

After the Eligible Housing Project Property has been disqualified from the exemption, the property shall be assessed and taxed as other similar property is assessed and taxed.

10. Repayment, Reporting, and Close-out

10.1. Tax Exemption Repayment (if applicable)

This Section 10.1 applies only to Projects using Tax Exemption Repayment.

The terms, conditions, and process of the repayment of the Intergovernmental Agency Loan repayment to OHCS will be set forth in the Intergovernmental Agency Loan Agreement.

Repayments shall be made from the payment of the Program Fee by the entity responsible for property tax payments on the completed Housing Project Property.

The collection of Program Fees associated with the MIRL Program is the sole responsibility of the County Tax Officer. Program Fees will be collected through the normal property tax collection process. The Sponsoring Jurisdiction (SJ) remains obligated to repay the full Intergovernmental Agency Loan amount regardless of Developer performance or payments.

10.1.1. Tax Exemption & In-Lieu Payment

Upon completion of the Eligible Housing Project, Project Property will receive property tax exemption on improvements or ad valorem tax exemption. In lieu of the exempted property taxes, the taxpayer for the property (i.e. the developer, property owner, homeowner, etc.) will be repaying the Intergovernmental Agency Loan by paying the Program Fee as defined in Section 10.1.2: Repayment Amount – Program Fee.

10.1.2. Repayment Amount -- Program Fee

The Program Fee for the first property tax year in which a Program Fee is due consists of:

1. The portion of the Tax Increment Differential that is attributable to the Eligible Housing Project Property to which the Fee relates;
2. The total administrative costs (for the SJ and the County Tax Officer) included in the Intergovernmental Agency Loan Amount divided by the term in years of the Intergovernmental Agency Loan Agreement; and
3. Fire district fees (if applicable, See Section 10.1.5: Fire District Fee).

For each property tax year following the first property tax year in which a Program Fee is due, the Program Fee shall be equal to 103 percent of the prior year's Fee.

10.1.3. Commencement of Repayment -- Program Fee Collection

Program Fee collection shall begin with the first property tax year in which the completed Eligible Housing Project is reflected on the property tax assessment roll.

NOTE: Oregon properties are assessed based on their status as of January 1. That assessment applies to the tax year beginning the following July 1.

10.1.4. Collection Process – Program Fee

For each tax year that the Eligible Housing Project Property is exempt from taxation, the County Tax Officer shall:

1. Enter a notation on the assessment and tax rolls of the county stating:
 - a. That the Eligible Housing Project Property is exempt under section 30 of SB 1537 (2024), as amended by SB 48 (2025); and
 - b. The presumptive number of property tax years for which the exemption is granted, which shall be the term of the Intergovernmental Agency Loan that relates to the Eligible Housing Project;
2. Place the Program Fee amount on the assessment and tax rolls of the county;
3. Include on the tax statement of each tax account that includes exempt Eligible Housing Project Property the amount of the Program Fee imposed on the Fee Payer with respect to the Eligible Housing Project Property;

4. Collect the Program Fee from the Fee Payer;
5. Distribute out of the Program Fee any Fire District Fees to the respective fire districts when other ad valorem property taxes are distributed under ORS 311.395; and
6. Remit the Net Program Fee to OHCS in repayment of the Intergovernmental Agency Loan. Intergovernmental Agency Loans remain outstanding until repaid in full.

10.1.5. Fire District Fee

After collecting the Fee, the County Tax Officer shall estimate the amount of operating taxes as defined in ORS 310.055 and local option taxes as defined in ORS 310.202 levied by fire districts that would have been collected on Eligible Housing Project Property if the property were not exempt, and shall distribute those amounts out of the collected Fee to the respective fire districts when other ad valorem property taxes are distributed under ORS 311.395.

The amount that remains after the County Tax Officer distributes any Fire District Fees out of the Program Fee is called the Net Program Fee. The County Tax Officer shall distribute the Net Program Fee to the Department.

NOTE: The total Program Fee amount due during the term of the Fee obligation will exceed the Project Funds received by the Developer because the Program Fee also includes administrative costs for the SJ and County Tax Officer.

10.1.6. Property Tax Exemption Layering

The MIRL Program property tax exemption applies only to the MIRL-funded improvements of a given Eligible Housing Project. The MIRL Program tax exemption may not be combined with other property tax exemptions that also apply to the Project improvements (i.e., the Eligible Housing Project Property).

Property tax exemptions on the Nonexempt Property (such as the land) do not affect improvement exemptions and are allowable.

The SJ is responsible for the submission to OHCS, the County Tax Officer and the Developer of an updated “final” Amortization Schedule once the Project has been completed and Program Fee payments are scheduled to begin. This will confirm Fee payment timelines and proper Fee amounts. The SJ will submit the final Amortization Schedule to OHCS via the SJ’s Procorem WorkCenter.

10.2. Alternative Funding Source Repayment (if applicable)

This Section 10.2 applies only to Projects using Alternative Funding Source Repayment.

The terms, conditions, and process of the repayment of the Intergovernmental Agency Loan repayment to OHCS will be set forth in the Intergovernmental Agency Loan Agreement.

Repayments shall be made from an alternative funding source(s) pledged by the SJ in the Intergovernmental Agency Loan Agreement.

The SJ remains obligated to repay the full Intergovernmental Agency Loan amount regardless of Developer performance or payments.

10.2.1. Alternative Funding Source

In addition to pledging their full faith and credit and taxing authority, SJs shall also pledge an Alternative Funding Source to repay the Intergovernmental Agency Loan. SJs have discretion to determine what Alternative Funding Source shall be used for any given Eligible Housing Project, but any Alternative Funding Source must be acceptable to OHCS. SJs may consider but are not limited to:

- General Funds
- Other tax revenue
- Loan interest and repayment of the Project Funds
- Rental revenue on the Eligible Housing Project
- Other revenue source available

SJs shall be required to provide documentation of pledged Alternative Funding Source in the Intergovernmental Agency Loan Request.

10.2.2. Repayment Amount – Alternative Funding Source

The repayment of the Intergovernmental Agency Loan from an Alternative Funding Source will occur according to the repayment schedule in the Intergovernmental Agency Loan Agreement and will consist of:

- Project Funding attributable to the Eligible Housing Project Property; and
- The total administrative costs (for the SJ and the County Tax Officer) included in the Intergovernmental Agency Loan Amount divided by the term of the Intergovernmental Agency Loan Agreement.

10.2.3. Commencement of Repayment – Alternative Funding Source

The commencement for repayment of the Intergovernmental Agency Loan will typically begin one year after the Eligible Housing Project completion date, unless otherwise agreed upon by the SJ and OHCS and defined in the Intergovernmental Agency Loan Agreement.

10.2.4. Collection Process – Alternative Funding Source

Upon commencement, the repayment will typically occur on a monthly to annual basis for the duration of the Loan Term, unless otherwise agreed upon in the Intergovernmental Agency Loan Agreement.

Repayments typically shall be made by the SJ directly to OHCS from the Alternative Funding Source pledged for the Eligible Housing Project. The payments set forth in the Intergovernmental Agency Loan Agreement must be made until the Intergovernmental Agency Loan has been repaid in full. If agreed upon by OHCS, a designee may be determined in the Intergovernmental Agency Loan Agreement to make scheduled payments from the Alternative Funding Source on behalf of the SJ. Regardless of the status of the Alternative Funding Source(s), the SJ must maintain the repayment process as defined in the Intergovernmental Agency Loan Agreement.

10.3. Reporting to OHCS

10.3.1. Project Completion

The SJ shall notify OHCS and the County Tax Officer when an Eligible Housing Project has been completed and Certificate of Completion has been received.

10.3.2. Annual Report

Not later than August 15 of each year, each SJ will submit a report to OHCS that includes information relating to Eligible Housing Projects within the SJ. A given Project in the SJ will be included in the SJ's annual report until the Intergovernmental Agency Loan Amount has been fully repaid.

Required reporting information will be described in the Intergovernmental Master Agreement, and will include, but not be limited to the following, to date:

- Intergovernmental Agency Loans received by the SJ;
- Project Funds distributed by the SJ;
- Project Funds obligated to Developers but not yet paid by the SJ;
- Contact information for Developers;
- Contact information for SJ;
- Number of Projects/units funded by type (i.e. Rental, Homeownership);
- Number of Projects/units completed by type;
- If applicable, total Intergovernmental Agency Loan Payments or Program Fees expected to be collected during full term of Program Fee obligation;
- Total Intergovernmental Agency Loan Payments or Program Fees collected;
- Total delinquent Intergovernmental Agency Loan Payments or Program Fees and Fee Payer information for delinquent Fees;
- Other information as OHCS requires.

10.3.3. Final Report

At the end of the Intergovernmental Agency Loan repayment period, the SJ must provide a final report to OHCS with the information requested by the OHCS. This final report will assist OHCS in evaluating Program effectiveness and achievement of goals. Developers are required to provide information requested by the SJ or OHCS.

10.3.4. Reporting and Audits

OHCS may audit the SJ regarding an Intergovernmental Agency Loan at any time during the Loan Term and for a period of six years beyond the date an Intergovernmental Agency Loan is repaid.

10.4. Developer Reporting to the Sponsoring Jurisdiction

Not later than June 30 of each year in which a Project Funding Agreement is in effect, the Developer is required to submit a report to the SJ in which the Eligible Housing Project is located that contains:

- 1) The status of the construction or conversion of the Eligible Housing Project, including an estimate of the date of completion;
- 2) An itemized description of the uses of the Project Funds;
- 3) Any information requested by the SJ for the purpose of evaluating the Eligible Housing Project and the Developer's performance under the terms of the Project Funding Agreement; and It is required that this reporting take place to support the reporting required to OHCS by the SJ; however, the Developer reporting will not be submitted to OHCS.

10.5. Intergovernmental Agency Loan Close-out

10.5.1. Repayment Amount

OHCS encourages SJs and County Tax Officers to establish a method to ensure that they do not make overpayments or underpayments to OHCS. Under the Tax Exemption repayment, Fee amounts that exceed the amount owed to OHCS under the Intergovernmental Agency Loan Agreement must be distributed as normal tax collections would be distributed.

Any outstanding Intergovernmental Agency Loan Amount that has not been repaid when the Developer or other Fee Payer has discharged its obligations in full remains the obligation of the SJ that received the Loan from OHCS.

NOTE: Under the Tax Exemption repayment, the Program Fee is based on an estimated taxable amount. An actual property assessment on the improvements will not be required for the Project under the MIRL Program at the time the tax exemption terminates. Even with the three percent annual escalator, this may still mean that the ad valorem property taxes due on the improvements once the tax exemption ends are significantly different from the Program Fee.

10.5.2. Tax Exemption Ends

If repayment occurred under the Tax Exemption, and unless terminated earlier due to one of the reasons specified in section 30(2)(b) of SB 1537 (2024), as amended by section 17 of SB 48 (2025), the tax exemption associated with the Eligible Housing Project under the Program will terminate on July 1 of the property tax year immediately succeeding the date on which the Program Fee obligation is paid in full. Each County Tax Officer is responsible for establishing a process to ensure that the change is reflected in subsequent property tax years. After the Tax Exemption is terminated, the Eligible Housing Project Property shall be assessed and taxed as other similar property is assessed and taxed.

11. Other Program Considerations

11.1. Noncompliance

A Developer that received Project Funding pursuant to the Property Tax Exemption option shall become liable for immediate payment of any outstanding annual Fee payments for the entire term of the Fee if:

1. The Developer has not completed the Eligible Housing Project within three years following the date on which the Funds were distributed to the Developer, unless the Sponsoring Jurisdiction (SJ), in its sole discretion, has provided an extension of the completion date;
2. The Eligible Housing Project changes substantially from the Project for which the Developer's application was approved, such that the Project would not have been eligible for the Funding; or
3. The Developer has not complied with a requirement specified in the Funding Agreement.

If the SJ discovers that a Developer willfully made a false statement or misrepresentation or willfully failed to report a material fact to obtain Funding with respect to an Eligible Housing Project, the SJ may impose on the Developer a penalty not to exceed 20 percent of the amount of the Funding so obtained, plus any applicable interest and fees associated with the costs of collection.

Any amounts due under this Section shall be a lien on the Eligible Housing Project Property and the Nonexempt Property in the tax account.

The SJ shall provide written notice of any amounts that become due under this Section to the County Tax Officer and OHCS.

Under the Alternative Funding Source repayment option, SJ may establish their own non-compliance process and consequences through their Project Funding Agreement.

11.2. Equity in Contracting

The Department encourages SJs to consider requiring Developers to identify approaches and/or targets for contracting with Minority, Women, and or Emerging Small Businesses (MWESB) contractors/subcontractors in the construction and operation of the proposed Project, whenever appropriate. OHCS also encourages SJs to include this in any tracking in their annual reporting. This is not a requirement but is considered a “best practice” around equitable construction.

OHCS encourages SJs to consider how to utilize their Intergovernmental Agency Loans in a way that ensures access and benefits to populations that are historically underserved. As housing providers and advocates continue to work hard to unravel 200 years of discriminatory practices in our country, all new programs should be implemented with a lens of equity and inclusion.

11.3. Misrepresentation and Fraud

OHCS, in its sole discretion, may exercise any and all remedies available to it in the event that a Developer engages in misrepresentation or fraud in any stage of the MIRL Program.

11.4. Project Changes

In each Project Funding Agreement, SJs should require notification in writing from Developers and should require that Developer obtain the SJ’s prior written consent to any material change to a Project receiving Project Funding. Developers should notify the SJ promptly when a material change is first identified. The Project Funding Agreement should set forth the SJ’s ability to provide or withhold its consent, or condition its consent, in its reasonable discretion.

For the purposes of this Program, OHCS suggests that material change means “a change in or relating to the business, operations or use of capital provided by the SJ that taken as a whole would reasonably be expected to have a significant effect on the Project budget, housing type or population served, and includes a decision to implement such a change made by the principal or board of directors of the Developer.”

11.4.1. Remedies

The Project Funding Agreement should provide that the SJ will determine whether a change in a Project is material and should provide that the SJ’s determination is final. The Project Funding Agreement should specify which remedies are available to the SJ if it determines that a change in a Project is material.

Remedies could include repayment of some or all Program Funds, changes to the Project to align more closely with the Provisionally Approved Application, or any other option as determined by the SJ. If a Project changes so substantially that it would no longer be eligible for Program Funds, the Developer will become liable for immediate payment of any outstanding Program Fee payments.

Any material Project changes that occur after a Project Funding Agreement is executed are not eligible for new Funding. Improvements that are not funded by the MIRL Program are subject to normal taxation.

NOTE: Changes to a Provisionally Approved Application may not be made once an Intergovernmental Agency Loan Request has been submitted to OHCS.

11.5. Programming of Loan Repayments

The Department will recycle Program Funds as quickly as they are received to the greatest extent possible. As Intergovernmental Agency Loans are repaid, OHCS will issue new Intergovernmental Agency Loans based upon the standards set forth in this Manual.

11.6. Administrative Requirements

11.6.1. Inappropriate Use of Funds

The SJ or Developer's use of Program Funds in a manner that is inconsistent with Program Requirements may result in OHCS pursuing a return of Program Funds, initiating a breach of contract claim, or pursuing any and all other remedies available to OHCS.

11.6.2. No Representation or Warranty

If OHCS tentatively reserves Program Funds for a Project or approves a Project (subject to execution of an Intergovernmental Agency Loan Agreement with the SJ), that shall not constitute or be construed as a representation or warranty as to the feasibility or viability of the Project, or the Project's ongoing capacity for success, or any conclusions with respect to any matter of federal or state law.

OHCS resources are subject to state and federal regulations governing the specific program from which they are obtained, and SJs and Developers are responsible for the determination of their Project's eligibility and compliance with all Program Requirements.

11.6.3. Public Records

Materials and information submitted to OHCS are subject to public disclosure unless otherwise exempt from disclosure under ORS 192.355 or any other provision of the Oregon Public Records Law. OHCS provides no assurance that any materials provided to the Department can be protected from public release.

11.6.4. PuSH-CP Requirement

Rental housing built using MIRL Project Funds are subject to the Publicly Support Housing-Contract Preservation (PuSH-CP) requirements under ORS 456.766–456.819 and 456.828. Please see the [PuSH-CP webpage](#) for more information.

12. Appendix A: Definitions

1. “Affordability Requirements” means the affordability covenants applicable to all Eligible Housing Projects as a condition of receipt of Program Funds. The Affordability Requirements are the income and affordability restrictions that are set forth in the definition of “Eligible Housing Project,” except that if a Sponsoring Jurisdiction has adopted more restrictive requirements in its MIRL Ordinance, those more restrictive requirements shall be the Affordability Requirements. The Affordability Requirements shall be set forth in a rider to the Funding Agreement, which shall constitute an affordable housing covenant under ORS 456.280 to 456.295, and which shall be recorded in the records of the applicable county.
2. “Alternative Funding Source” means the resources pledged by a Sponsoring Jurisdiction and approved by the Department as acceptable to repay a MIRL Intergovernmental Agency Loan pursuant to the Alternative Funding Source Repayment Option.
3. “Alternative Funding Source Repayment Option” means an Intergovernmental Agency Loan Agreement entered into pursuant to section 10 of SB 48 (2025), by which the Sponsoring Jurisdiction pledges its full faith and credit and taxing authority and an Alternative Funding Source in repayment of the Intergovernmental Agency Loan.
4. “Alternative Loan Repayment” the mechanism of repayment of the Intergovernmental Agency Loan using an Alternative Funding Source(s) as determined and established by the Intergovernmental Agency Loan Agreement.
5. “Amortization Schedule” means the agreed upon repayment schedule for the Program Fee or Alternative Loan Repayment, provided by OHCS in the Intergovernmental Agency Loan Request document.
6. “Approved Application” means a Project application for MIRL Project Funds that has been approved by both a Sponsoring Jurisdiction and OHCS which allows the Project Funding to be finalized in a Project Funding Agreement between the Sponsoring Jurisdiction and the Developer.
7. “Area Median Income (AMI)” means the area median income, subject to adjustment for areas with unusually high or low incomes or housing costs, all as determined by the Department based on information from the United States Department of Housing and Urban Development.
8. “Certified Appraiser” means an individual performing a property appraisal with the proper certifications and licensure appropriate for the property as outlined in OAR 161-025-0000 – OAR 161-025-0010.
9. “Construction Costs” means the hard and soft costs incurred during the development of housing which include, but are not limited to, labor, materials, construction contracts, land

planning, engineering and architect fees, surveys, taxes and interest during construction. This can also include broadband internet wiring costs.

10. “Contingency” means a set aside of funds to be used for construction or development conditions that are not certain to occur. OHCS requires projects to have a reasonable contingency associated with each project. Ultimate contingency amounts must pass a reasonability test for that particular project, and OHCS retains sole discretion to determine what is “reasonable” on a case-by-case basis. Contingencies are generally expected to range between 5-10 percent of total Construction Costs.
11. “County Tax Officer(s)” means the assessor, tax collector, treasurer, or other individual filling that county office so named or any county officer performing the functions of that office under another name.
12. “Department” means Oregon Housing and Community Services (OHCS).
13. “Developer” means any individual, or any partnership, organization or other legally formed ownership entity, with a controlling interest in a proposed or funded Eligible Housing Project and that is or will be compensated for that controlling interest.
14. “Eligible Costs” means the following costs associated with an Eligible Housing Project:
 - a. Infrastructure Costs, including but not limited to System Development Charges;
 - b. Predevelopment Costs;
 - c. Construction Costs; and
 - d. Land Acquisition and Write-Downs.
15. “Eligible Housing Project” means a project to construct housing, or to convert a building from nonresidential use to housing, that is:
 - a. If For-sale / Homeownership Housing:
 - i) Middle housing as defined in ORS 197A.420, a single-family dwelling, or a multifamily dwelling; and
 - ii) Affordable to, and sold or offered for sale to, households with very low income, low income, or moderate income, as those terms are defined in ORS 458.610, continuously from initial sale for a period set forth in a Loan Agreement of not less than the Loan Term;
 - b. Or, if Rental Housing:
 - i) Middle housing as defined in ORS 197A.420, a multifamily dwelling, an accessory dwelling unit as defined in ORS 215.501, or any other form of affordable housing or moderate income housing; and
 - ii) Rented to households with very low income, low income, or moderate income, as those terms are defined in ORS 458.610, and rented at a monthly rate (rent

plus a utility allowance set by the Sponsoring Jurisdiction) that is affordable to households with very low income, low income, or moderate income, such affordability to be maintained for a period set forth in a Loan Agreement of not less than the Loan Term.

NOTE: For mixed-income housing developments, “Eligible Housing Project” means only those units that satisfy the requirements of this definition, and the portion of shared costs that pertain to them.

16. “Eligible Housing Project Property” means the taxable real and personal property constituting the improvements of an Eligible Housing Project.
17. “Fee Payer” means the person responsible for paying ad valorem property taxes or Program Fees on Eligible Housing Project Property that is using Tax Exemption Repayment Option. The Fee Payer could be the Developer, homeowner, or any individual, entity, agency, or other entity with an ownership stake in the Project property.
18. “Fire District Fees” The County Tax Officer’s estimate, for a given property tax year in which a Program Fee is payable, of the amount of operating taxes as defined in ORS 310.055 and local option taxes as defined in ORS 310.202 levied by fire districts that would have been collected on Eligible Housing Project Property if it were not exempt.
19. “Housing Project Revolving Loan Fund” means the account that was created for administration of the MIRL program statute at the Department.
20. “Infrastructure Costs” means the fundamental facilities and systems required for residential buildings, including, but not limited to, water, electricity and sanitation. This also includes system development charges.
21. “Intergovernmental Agency Loan” means the MIRL Program Funds received by a Sponsoring Jurisdiction from the Department pursuant to an Intergovernmental Agency Loan Agreement with said Sponsoring Jurisdiction. Formerly “Program Loan.”

NOTE: Intergovernmental Agency Loans are different from “Project Grants” or “Project Loans.”

22. “Intergovernmental Agency Loan Agreement” means the binding legal document between OHCS and a Sponsoring Jurisdiction for a specific Eligible Housing Project that sets out the Intergovernmental Agency Loan Amount and terms of repayment.
23. “Intergovernmental Agency Loan Amount” means the total Program Funds provided by OHCS to a Sponsoring Jurisdiction, which shall be set forth in the Intergovernmental Agency Loan Agreement between OHCS and the Sponsoring Jurisdiction. The Intergovernmental Agency Loan Amount is the sum of:
 - a. The Project Funds;

- b. An amount equal to 5 percent of the Project Funds, to reimburse the Sponsoring Jurisdiction for the costs of administering the Local MIRL Program (unless waived by the Sponsoring Jurisdiction); and
 - c. An amount equal to 1 percent of the Project Funds, to reimburse the County Tax Officer for the costs of the tax administration of the Local MIRL Program (unless waived by the County).
- 24. “Intergovernmental Agency Loan Repayment” means the repayment of Intergovernmental Agency Loan to OHCS by a County Tax Officer or Sponsoring Jurisdiction responsible for the debt tied to an Intergovernmental Agency Loan Agreement.
- 25. “Intergovernmental Agency Loan Request” means the required materials, including the Provisionally Approved Application, submitted to the Department by the Sponsoring Jurisdiction seeking an Intergovernmental Agency Loan for an Eligible Housing Project. Formerly “Program Loan Request.”
- 26. “Intergovernmental Master Agreement” means the written agreement between OHCS and the Sponsoring Jurisdiction after the Sponsoring Jurisdiction adopts the Originating Ordinance or Resolution.
- 27. “Intergovernmental County Agreement” means the written agreement between the Department and the county that is required when the Sponsoring Jurisdiction is a city. This will also be done at the time of the Originating Ordinance or Resolution.
- 28. “Land Write-Down” means the change in the value of the land due to Local MIRL Program participation that is supported by an appraisal completed by a Certified Appraiser and not rejected by the County Tax Officer.
- 29. “Loan Term” means the presumptive number of years that a Sponsoring Jurisdiction has to repay an Intergovernmental Agency Loan to OHCS, typically set for 10 years, with a maximum of 15 years.
- 30. “Local MIRL Program” means the process, including forms and deadlines, adopted by a Sponsoring Jurisdiction, by which a Developer may apply for Project Funds with respect to an Eligible Housing Project.
- 31. “Low Income” means annual income, by household size, that is more than 50 percent and not more than 80 percent of the Area Median Income.
- 32. “Maximum Funding Amount” means the established not-to-exceed investment amount for Housing Project Revolving Loan Fund investments into Projects. This limit on funding that an Eligible Project can receive, regardless of repayment structure, is equal to the Sponsoring Jurisdiction program maximum Loan Term (not to exceed 15 years) multiplied by the calculated Tax Increment Differential.

33. “Moderate Income” means annual income, by household size, that is more than 80 percent and not more than 120 percent of the Area Median Income.
34. “Net Program Fee” means the Program Fee less the Fire District Fee.
35. “Nonexempt Property” means the property other than Eligible Housing Project Property in the tax account that includes Eligible Housing Project Property.
36. “Nonexempt Taxes” means the ad valorem property taxes assessed on Nonexempt Property.
37. “Ordinance” means a law adopted by a local government governing authority, such as a city council or county board of commissioners, that applies only in that local jurisdiction.
38. “Originating Ordinance or Resolution” means an Ordinance or Resolution drafted by the Sponsoring Jurisdiction that must be passed by the city council or county board of commissioners to create the Local MIRL Program before the Sponsoring Jurisdiction can submit an Intergovernmental Agency Loan Request to OHCS.
39. “Predevelopment Costs” means costs that include, but are not limited to, site acquisition, architectural services, and Project consultants.
40. “Pro Forma” means a document provided by the Department that requires the Developer to outline the sources and uses of funding for the proposed Eligible Housing Project as well as proposed operating costs, if applicable. As required by section 26(1)(b)(E) of SB 1537 (2024), OHCS utilizes this document as part of its analysis in determining whether the Project in question would not be economically feasible without the Project Funding.
41. “Program” or “MIRL” or “MIRL Program” means the Moderate-Income Revolving Loan (MIRL) Program outlined in SB 1537 section 24 to section 36 (2024) and modified by SB 48 (2025).
42. “Program Fee” or “Fee” means, where the Tax Increment Differential is relied upon to repay the Intergovernmental Agency Loan for a specific Eligible Housing Project, the fee paid annually by the Fee Payer through the exempt Tax Increment Differential until the Intergovernmental Agency Loan is paid in full as shown in the Amortization Schedule with required three percent escalator.

NOTE: Fire District Fees are not included in the Program Fee because they are not exempted by the MIRL Program and must be paid to the Fire District. Fee Payers are responsible for paying the applicable Fire District Fees to their respective counties.

43. “Program Funds” means the funds allocated to the Moderate-Income Revolving Loan (MIRL) Program, which are made available to Sponsoring Jurisdictions through Intergovernmental Agency Loans administered by the Department.

44. “Program Requirements” means all terms, conditions, covenants, or other obligations of a Developer (including through its officers, employees, contractors, agents, and assignees) with respect to the Program, including as contained in relevant statutes, regulations, administrative rules, manuals, codes, Department directives, policies, applicable documents, or otherwise.
45. “Project” means an affordable housing development that seeks or receives Program Funds.
46. “Project Applicant” means any housing Developer with an Eligible Housing Project applying for Project Funding from a Sponsoring Jurisdiction.

NOTE: Sponsoring Jurisdictions are not “Project Applicants.”

47. “Project Application” means the packet of required and requested informational materials provided by the Project Applicant to the Sponsoring Jurisdiction as a request for Project Funding. This information will be used by the Sponsoring Jurisdiction to make a determination with respect to provisional approval of the Eligible Housing Project. The Project Application is included in the Intergovernmental Agency Loan Request to be submitted to OHCS.
48. “Project Funds” or “Project Funding” means the Program Funds a Developer receives from a Sponsoring Jurisdiction to fill a funding gap for an Eligible Housing Project. Before receiving Project Funding, Developers must enter into a Project Funding Agreement with the Sponsoring Jurisdiction.
49. “Project Funding Agreement” means an agreement between a Sponsoring Jurisdiction and a Developer for an Eligible Project. This legally binding document between the Sponsoring Jurisdiction and the Developer outlines the terms and conditions of the Project and the funds, including repayment.
50. “Project Ordinance or Resolution” means a Project-specific Ordinance or Resolution passed by a local government governing authority, such as a city council or county board of commissioners, that applies only in that Sponsoring Jurisdiction and contains information as set forth in section 29(3) of SB 1537 (2024). If applicable, the Project Ordinance or Resolution recognizes the tax-exempt status of the Eligible Housing Project Property.
51. “Provisionally Approved Application” means a Project Application for Project Funding submitted by a Developer and approved by a Sponsoring Jurisdiction. Sponsoring Jurisdictions include the Provisionally Approved Application in the Intergovernmental Agency Loan Request sent to OHCS.
52. “Resolution” means a formal expression of the opinion or will of a jurisdiction’s governing authority.
53. “Sponsoring Jurisdiction” or “SJ” means:

- a. A city with respect to Eligible Housing Projects located within the city boundaries; or
 - b. A county with respect to Eligible Housing Projects located in urban unincorporated areas of the county; or
 - c. The governing body of a city or county.
54. “System Development Charges (SDCs)” means costs as defined in ORS 223.299 (4): reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement. “System development charge” includes that portion of a sewer or water system connection charge that is greater than the amount necessary to reimburse the local government for its average cost of inspecting and installing connections with water and sewer facilities.
- NOTE: “System development charge” does not include any fees assessed or collected as part of a local improvement district or a charge in lieu of a local improvement district assessment, or the cost of complying with requirements or conditions imposed upon a land use decision, expedited land division or limited land use decision.
55. “Tax Exemption Repayment Option” means an Intergovernmental Agency Loan Agreement entered into pursuant to section 28 of SB 1537 (2024), as amended by SB 48 (2025), by which the Sponsoring Jurisdiction repays the Intergovernmental Agency Loan through Program Fees collected from Developers / Fee Payers with property tax exemptions on MIRL-funded improvements.
56. “Tax Increment Differential” means the amount calculated by the County Tax Officer who takes the amount in (a) and subtracts from it the amount in (b):
- a. Using the last certified assessment roll for the property tax year in which an application for MIRL Program Funds is received, the County Tax Officer determines the amount of property taxes assessed against all tax accounts that include the Eligible Housing Project Property, and then subtracts the amount of operating taxes as defined in ORS 310.055 and local option taxes as defined in ORS 310.202 levied by fire districts.
 - b. For the first property tax year for which the completed Eligible Housing Project Property is estimated to be taken into account, the County Tax Officer determines the estimated amount of property taxes that will be assessed against all tax accounts that include the Eligible Housing Project Property and subtracts the estimated amount of operating taxes and local option taxes levied by fire districts.
57. “Urban Renewal Area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

58. “Very Low Income” means annual income, by household size, that is 50 percent or less of the Area Median Income.