

HB 3589 – Senior Housing Development Initiative

Strategies for affordable senior housing

People aged 50+ are the fastest-growing group of people experiencing homelessness in America and [their numbers are estimated to triple](#) by 2030. Nearly 5,000 Oregonians over 55 were included in the state's Point in Time count in January 2024—a 14% increase over the prior year. The state faces a deficit of approximately 102,760 affordable rental units, a gap that disproportionately affects older adults living on fixed incomes. Fewer than 10% of housing is aging-ready, exacerbating the challenge for older adults to find housing that meets their financial and physical needs.

HB 3589 aims to ensure that older Oregonians have housing they can afford.

Establishes the Senior Housing Development Initiative

HB 3589 directs OHCS to develop and implement a program that incentivizes housing development for Older Adults and Persons with Disabilities, using excess funds from the Oregon Property Tax Deferral for Disabled and Senior Homeowners Program, LIFT, the General Housing Account Program (GHAP), federal low-income housing tax credits, or any other funding resource administered by the department.

Allocates \$27M for vital senior programs

- **\$23.5M to OHCS for the Senior Housing Development Initiative.** To the extent possible, funds transferred should leverage existing OHCS resources.
- **\$3M to the OHA for its Healthy Homes program** to fund modest accessibility modifications to homes housing Older Adults or Persons with Disabilities. (This money will be allocated via HB 3506.)
- **\$500,000 to OHCS to establish the “Older Adult Housing Technical Assistance” fund** to support housing location, design, development, and the delivery of non-licensed home and community-based services for older adults. Funds to be made available to qualified business or community-based organizations to provide technical assistance to government agencies, planners, housing developers, housing and service providers, and others who support the creation of housing for older adults.

Transfers from Oregon Property Tax Deferral for Disabled & Senior Homeowners program

Disabled or senior homeowners are eligible to borrow from the State to pay property taxes. Qualifying homeowners file an application with the county assessor; the Department of Revenue (DOR) then pays the county property taxes each year. Deferral accounts accrue 6 percent interest on the tax amount that is paid by the DOR and is not compounded. When the owner moves, changes ownership, or dies, the home is removed from the program and the state is repaid. Over the course of many years, the program has accumulated a current balance of revenue over obligations of approximately \$70M. Conservative analysis suggests this is sufficient to allow a transfer of \$27M to senior and disabled housing programs in FY 2026, to be used as indicated above.

HB 3589 initiates an annual solvency analysis of the Deferral Fund. Balance exceeding required reserves will be transferred to the Senior Housing Development Initiative by January 31 of each subsequent year. This program will sunset in 2031, but may be extended by the Legislature.

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Supporters

