

HB 3589 -1 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/5, 3/17

WHAT THE MEASURE DOES:

The measure establishes a senior housing development initiative and directs the Housing and Community Services Department to administer it.

Detailed Summary:

- Directs the Housing and Community Services Department (OHCS) to establish and maintain a senior housing development initiative to incentivize housing targeted to older adults and persons with disabilities, including housing that prioritizes visitability and accessibility, but not including housing providing care.
- Requires OHCS to focus on combining state and federal resources available to fund the department for the development, rehabilitation, and preservation of housing for older adults and persons with disabilities and leveraging existing moneys to increase development, redevelopment and preservation opportunities.
- Requires OHCS to coordinate with the Oregon Health Authority (OHA) in operating the authority's Healthy Homes Program to provide modest accessibility modifications to homes housing older adults or persons with disabilities.
- Requires OHCS to provide technical assistance to developers, affordable housing and service providers, planners, stakeholders, and local governments to support housing location, design, development and the delivery of home and community-based services for older adults; and to help ensure housing developments meet the needs of older adults to age well in their homes and communities through housing that enables choice, safety and physical accessibility.
- Requires OHCS to provide regular public updates and track goals and progress, in coordination with the department's housing equity indicators, relating to affordable rental housing targeted toward populations of older adults and persons with disabilities.
- Permits OHCS to contract with a public or private provider for the administration of the senior housing development initiative.
- Transfers \$27,000,000 from the Senior Property Tax Deferral Revolving Account to the General Fund on the effective date of the measure.
- Appropriates \$23,500,000 continuously, until expended to OHCS for the development of the senior housing development initiative, \$3,000,000 to fund accessibility modifications, and \$500,000 to provide technical assistance.
- Directs the Department of Revenue (DOR) to determine the amount estimated to be required to be maintained in the Senior Property Tax Deferral Revolving Account by December 31 each year, starting January 1, 2027. Sunsets these provisions on July 1, 2031.
- Requires DOR to transfer the positive difference between the amount in the account and the estimated obligations of OHCS to implement the senior housing development initiative into the Elderly and Disabled Housing Fund starting January 1, 2027.
- Specifies that projects funded by the Elderly and Disabled Housing Fund are eligible for affordable housing tax credits.

Declares emergency, effective on passage.

Fiscal impact: Fiscal impact issued

This summary has not been adopted or officially endorsed by action of the committee.

Revenue impact: Revenue impact issued

ISSUES DISCUSSED:

- Recommendations from legislative workgroup on Senior Housing
- Property Tax Deferral Fund analysis of available funds
- Healthy Homes program and applicability
- Appropriation of funds and annual solvency analysis of Property Tax Deferral Fund
- Income decline for older adults factors
- Senior population growth in Oregon and population rectangularization
- Data on number of accessible units available in Oregon and cost increase of building accessible units

EFFECT OF AMENDMENT:

-1 The amendment diverts less funding from the Senior Property Tax Deferral Revolving Account, eliminates the dedicated funds for accessibility modifications, redirects housing development funding to the General Housing Account instead of direct allocation to the Housing and Community Services Department. The amendment also modifies the estimation method for excess deferral funds and increases oversight by requiring Legislative Revenue Officer notification.

Detailed Summary:

- Transfers \$24,000,000 instead of \$27,000,000 from the Senior Property Tax Deferral Revolving Account to the General Fund.
Changes Funding distribution by directing \$23,500,000 to the General Housing Account.
- Eliminates the \$3,000,000 specifically designated for accessibility modifications.
- Refines the estimation method for the required funds for the Senior Property Tax Deferral Revolving Account to adjust for the current composition of payments and population.
- Adds that the Legislative Revenue Officer must be notified at least 14 days before any transfer.
- Transfers excess funds to the General Housing Account.

BACKGROUND:

The Senior Property Tax Deferral Revolving Account is a fund established by the State of Oregon to assist eligible senior and disabled homeowners in deferring their property taxes. Administered by the Oregon Department of Revenue, this account covers property taxes on behalf of qualified participants, allowing them to postpone tax payments until certain events occur, such as the sale of the property or the homeowner's passing. The deferred taxes accrue simple interest at an annual rate of 6%. Repayments, including interest, replenish the revolving account, ensuring its sustainability. If the account lacks sufficient funds to cover deferred taxes, the State Treasurer, serving as the investment officer for the Oregon Investment Council, may lend the necessary amounts to the Department of Revenue to fulfill payment obligations.

The Elderly and Disabled Housing Fund is a special fund established in the Oregon State Treasury, separate from the General Fund, as per Oregon Revised Statutes (ORS) 456.535. This fund is primarily financed through the proceeds from specific bond issues and is continuously appropriated to the Housing and Community Services Department (OHCS). OHCS administers the fund, utilizing it to finance multifamily housing projects tailored for elderly households, persons with disabilities, their family members, and other necessary occupants who support the residents or maintain the housing. OHCS, with the concurrence of the Oregon Housing Stability Council, adopts criteria to ensure that health, mental health, and other supportive services are available to occupants, either onsite or within the community. Additionally, the fund may support the purchase of ownership interests within multifamily structures by elderly households, adhering to income restrictions outlined in ORS 456.620(4).