Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1521 **Agenda Date:** 7/9/2026 **Agenda #:**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Village at Johnson Creek (HTC #98002)

RECOMMENDED ACTION

WHEREAS, Village at Johnson Creek (HTC #98002) received an allocation of 9% Housing Tax Credits (HTCs) in 1998 for the new construction of 140 units for the elderly in Arlington, Tarrant County;

WHEREAS, the Land Use Restriction Agreement (LURA) for the Development states that throughout the 25-year Compliance Period, which ended on December 31, 2023, the Development must be a project which is solely occupied by persons 62 years of age or older, or all units in the Development must be occupied by at least one person 60 years of age or older;

WHEREAS, Arlington Senior Housing, L.P. (Development Owner or Owner) has continued to operate the Development as restricted for the elderly and requests approval to extend the elderly designation throughout the 40-year affordability period; and

WHEREAS, 10 TAC §10.405(b)(2)(C) states that changes to the Target Population are material amendments to the Land Use Restriction Agreement (LURA);

NOW, therefore, it is hereby

RESOLVED, that the Board approves the amendment to the LURA of Village at Johnson Creek to extend the elderly restriction throughout the term of the LURA as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Village at Johnson Creek received an allocation of 9% Housing Tax Credits in 1998 for the new construction of 140 units for the elderly in Arlington, Tarrant County. The LURA for the Development states that throughout the 25-year Compliance Period, which ended on December 31, 2023, the Development must be a project which is solely occupied by persons 62 years of age or older, or all units in the Development must be occupied by at least one person 60 years of age or older.

In a letter dated June 3, 2026, Wayne Tai, the representative for the Owner, requests approval to extend the elderly designation of the Development throughout the 40-year affordability period. The Owner has certified that the Development has continued to operate as elderly and meets the requirements of the Housing for Older Persons Act.

10 TAC §10.405(b)(2)(C) states that changes to the target population are material amendments to the LURA and require Board approval. 10 TAC §10.405(b)(1)(F) states that a change in target population if the elderly restrictions in the LURA expired at the end of the Compliance Period would be a non-material LURA amendment if the amendment is requested within one year of expiration and contains a certification from the Development Owner that the Development still qualifies as elderly. However, because it has been more than one year since the end of the Compliance Period for this Development, this request to extend the elderly requirement requires Board approval.

The Owner complied with the requirements for requesting a material LURA amendment, including holding a public meeting and notifying each resident of the Development and the lender and investor for the Development that they are requesting a LURA amendment to amend the LURA to extend the elderly requirement throughout the term of the LURA. The public hearing was held on June 11, 2026. The Owner reported that 40 residents attended the public hearing, and the comments received were all in favor of maintaining the elderly designation at the Development. The Department also received several written statements from residents of the Development in support of this amendment to extend the elderly designation at the Development.

Staff recommends approval of the amendment request as presented herein.

Arlington Senior Housing, L.P.

6860 S. Yosemite Court, Suite 2222 – Centennial – CO 80112

June 03, 2026

Ms. Lucy Weber
Asset Management Division
Texas Dept. of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: Arlington Senior Housing, L.P. (the Partnership/Development Owner)
TDHCA Number: 98002

Dear Ms. Weber:

We've been corresponding regarding Justin Merrill's recent file review's non-compliance finding on The Villages of Johnson Creek ("Johnson Creek"). As a result of Mr. Merrill's/TDHCA's finding and your guidance on our correction options, we're writing to formally request an amendment to Johnson Creek's recorded Tax Credit Land Use Regulatory Agreement ("LURA"). Per Title 10, Ch 10, Sub-Ch E, Rule 10.405(b) of the Texas Administrative Code, we are writing to request an amendment to the LURA's post Compliance Period use. Specifically, we request that Johnson Creek remains an elderly age restricted property for tenants who are 62 years or older until the end of its Extended Use Period. Please find enclosed $2,500 check for the payment of the Amendment Application and Review Fee.

Johnson Creek is a 140-unit LIHTC property and was allocated tax credits as part of the 1998 allocation. Since 1999 when it was placed-in-service, the property has been designed and constructed for elderly tenants in which all occupants are 62 years of age or older; or occupied by at least one person who is 60 years or older. The property also provides social services suitable mainly for elderly residents.

Based on our knowledge and conversations with Johnson Creek's residents, the majority have expressed to us they chose to live at Johnson Creek because of its seniors only community. They enjoy having and interacting with fellow elderly neighbors. Residents utilize Johnson Creek's senior services and programs. Some of our onsite management staff have been seniors, which our residents feel they relate better with. From our residents' feedback, we believe converting Johnson Creek into a non-age restricted property will be non-congruent to the property's original intended purpose, which is to serve as affordable housing for the area's elderly population.

Perhaps even more detrimental is that by removing Johnson Creek's original Elderly Project age restriction, the area will lose vital affordable senior housing which is in short supply. To illustrate, here are some widely publicized statistics supporting the state's and local area's need for more senior housing rather than less:

- The age 65 and older cohort makes up 14% of Texas's population. It is also the fastest growing group at approximately 3.8% year-over-year [1].

- The country is said to be experiencing a "Silver Tsunami" whereby over 10,000 people turn age 65 every day. Texas has the country's 3rd largest population of this age group [2].

- Demographers find the Dallas Fort Worth metroplex alone is facing a growing shortage of affordable senior housing for residents 65 years and older. This shortage is not transient and has been worsening due to various unresolved barriers to senior residential housing developments [2].

- Statewide, over 765,000 seniors aged 65 years and older are categorized as cost burdened and struggling to stay housed [3].

- A recent study found that in the DFW area, nearly 2/3 of its senior residents spend over 30% of their income on housing. The study finds this to be an ongoing affordability crisis [3].
- In Dallas County, approximately 13% of the elderly population are living in poverty [4].
- These sentiments are echoed by Texas Rep. Rhetta Bowers of District 113. Rep. Bowers believes "if we don't act soon, this is going to become a full-blown crisis for our seniors." [2]

- Last but not least, one of the more dire statistics highlighting the chronic shortage is that the National Low Income Housing Coalition found statewide, Texas needs nearly 865,000 affordable senior units than it currently has [3].

We will be holding the required public hearing and submitting the resulting documentation as you've advised. We feel it'll be in the best interest of Johnson Creek's existing residents and the public that the property remains an Elderly Project.

Please don't hesitate to contact me if questions arise or further clarifications are needed. Thank you.

Sincerely,

Wayne Tai
Arlington Senior Housing, LP - Vice President of Asset Management

CC:
Brian Flaherty – Arlington Senior Housing, LP via EMAIL
Brendan Flaherty - Sandalwood Management USA, LP via EMAIL
Marilyn Cubias -Sandalwood Management USA, LP via EMAIL
Kim Jackson – Sandalwood Management USA, LP via EMAIL
Lisa Champion – Sandalwood Management USA, LP via EMAIL

Citations:
1- Colliers US Capital Markets (2025). Texas Senior Housing. *25H1 report.*
2- B. Wadsack (4/7/2025). Affordable Housing Shortage Could Leave DFW Senior Out in The Cold. *Bisnow.* https://www.bisnow.com/dallas-ft-worth/news/senior-housing/affording-housing-shortage-could-leave-dfw-seniors-out-in-the-cold-128815
3- J. Fechter (11/30/23). More Than 765,000 older Texans are Struggling to Cover Housing Costs. *The Texas Tribune.* More than 765,000 older Texans are struggling to cover housing costs
4- Dallas County (2025). Annual Action Plan. p.2