

Mueller Redevelopment

M U E L L E R



**Community Development Commission
Affordable Housing Update— August 9, 2011**

Mueller: The Fundamental Vision

M U E L L E R

Vision: A successful mixed-use and mixed income, master planned community with thriving and diverse neighborhoods, housing options supporting diversity and an employment center supporting job growth within the community

Goals:

- Fiscal Responsibility
- East Austin Revitalization
- Economic Development
- Diversity & Affordability
- Neighborhood Compatibility
- Sustainability

- Master Development Agreement (MDA) between Catellus and the City governing the redevelopment of Mueller
- Culmination of two decades of citizen-driven effort
- Ambitious, self-sustaining economic model
- Sound terms guiding Mueller's three-way partnership: City, Catellus, Citizens

Mueller: MDA AH Requirements

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- At least 25% of all homes at Mueller will be affordable.
- Since Mueller will be developed in phases over time, the actual percentage may be either less or more than that specified above during certain periods.
- 80% MFI for for-sale homes;
60% MFI for rental homes.

Mueller: MDA AH Requirement (cont'd)

M U E L L E R

- All affordable homes will be generally evenly dispersed throughout Mueller and distributed between for sale and rental homes to create a mixed income community.
- All residential units will be developed in accordance with City's S.M.A.R.T. Housing Program.
 - 1-year affordability restriction on for-sale units
 - 5-year affordability restriction on rental units
- An affordable Housing Report will be submitted to the City semi-annually reporting affordable housing activities.

- Catellus will use good faith efforts to work with AHFC to achieve longer and deeper affordability at Mueller. Those efforts include:
 - Explore various city programs
 - Review various models / tools to create longer affordability
 - Identify and explore greater third party participation opportunities

Mueller: Overall Approach

M U E L L E R

- Comprehensive **Strategy**
- Overseeing **production** of new homes
- **Pricing** homes initially so that they are affordable
- **Marketing / Outreach**
- **Educating** potential buyers
- **Credit Counseling** and **Repair**
- **Screening** buyers
- Monitoring **compliance**
- **Resale**
- **Managing / administering** the program operation

Mueller: Overall Approach (cont'd)

M U E L L E R

- Affordable homes will be architecturally indistinguishable from market rate homes
- Affordable homes will be minimum Austin Energy Green Building **3-star** homes.
- For Sale:
 - Affordable for-sale homes dispersed throughout the project
 - All affordable homes will be affordably priced at 80% MFI
- Rental:
 - Market rate to include 10% at 60% MFI
 - Properties primarily affordable (family, senior) make up the balance

An aerial photograph of a city, likely Denver, showing a large area of land in the center that has been highlighted with a yellow and green grid pattern, indicating a planned development or urban renewal project. The surrounding area includes residential neighborhoods, commercial buildings, and green spaces. The text "WHERE WE ARE TODAY" is overlaid in large, bold, orange letters across the center of the image.

WHERE WE ARE TODAY

RENTAL HOMES

M U E L L E R



Phase II Rendering

- **Market-rate rental projects:**
Developer: Simmons Vedder
 - Phase I: 441 units completed, yielding 44 affordable rental units for households at 60% MFI
 - Phase II: 300 units are planned, yielding 30 affordable rental units for households at 60% MFI
 - Affordability Period:
50 years

RENTAL HOMES (cont'd)

M U E L L E R



Wildflower Terrace

- **Senior Tax Credit rental projects: 85% of apartment units for 60% MFI or below**
 - Wildflower Terrace
 - Developer:
Diana McIver & Associates
 - 201 units under construction, yielding
 - 85 affordable rental units for households at 60% MFI,
 - 60 units at 50% MFI and
 - 26 units at 30% MFI
 - Affordability Period:
99 years.

FIRST PHASE FOR-SALE HOMES:

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- First residential for-sale section included 348 total single family homes
- First section included 71 affordably priced homes by David Weekley
- Combination of traditional detached 31 Yard Homes and 40 Row Homes

SECOND PHASE FOR-SALE HOMES:

M U E L L E R



- Second residential for-sale section included 358 total single family homes
- 32 Yard Homes built by Meritage Homes
- 30 Row Homes built by David Weekley

For-Sale Homes (cont'd):

M U E L L E R

Builder: David Weekley Homes & Meritage Homes

- Solid reputation as quality home builder
- Builder's participation broadened the groups that are supporting affordable program at Mueller



Yard Homes

For-Sale Homes (cont'd):

M U E L L E R

Builder: David Weekley Homes

- Solid reputation as quality home builder
- Builder's participation broadened the groups that are supporting affordable program at Mueller



Row Homes

THIRD PHASE OF FOR-SALE HOMES:

M U E L L E R



- Third residential for-sale Section includes 50 affordably priced homes
- Combination of :
 - 24 detached Garden Homes by David Weekley
 - 26 attached Mueller Homes by Standard Pacific
- Mueller Shared Appreciation Loan Program requirements
- 14 Marketing and Outreach events in 2011

For-Sale Homes (cont'd):

M U E L L E R

Builder: David Weekley Homes

- Solid reputation as quality home builder
- Builder's participation broadened the groups that are supporting affordable program at Mueller



Garden Homes

For-Sale Homes (cont'd):

M U E L L E R

Builder: Standard Pacific Homes

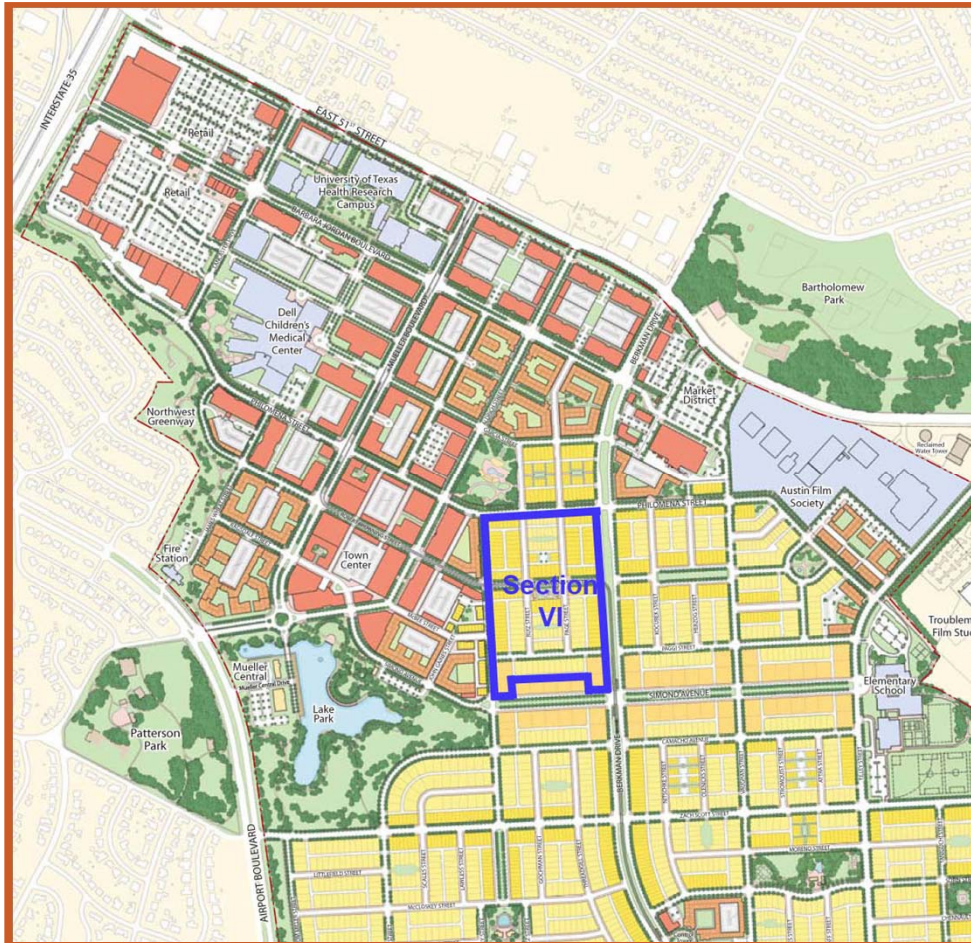
- Solid reputation as quality home builder
- Builder's participation broadened the groups that are supporting affordable program at Mueller



Mueller Homes

NEW SECTION OF FOR-SALE HOMES:

MUELLER



- New section includes 97 affordable homes
- Combination of :
Garden Homes, Row
Homes and Mueller
Homes
- Infrastructure of this
section is expected to
commence Q4 2011

For-Sale Homes (cont'd):

M U E L L E R

Tracking thru May 2011

Type	Total # of Homes Offered	Total # of Affordable Homes Contracted	% of Affordable Homes
For-Sale	1002	280	27.9%
For Rent	943	245	26.0%
Overall	1945	525	27.0%

Affordable Homes Activities

Category	# of For-Sale Homes	# of For-Rent Homes
Under Construction	36	171
Complete & Occupied	143	44
Pending for Closing	4	n/a
Pending for Construction	97	30
Total	280	245

Mueller Foundation: Community Benefits

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Purpose:

The Mueller Foundation is a non-profit corporation created by Catellus to support/fund long-term community goals for Mueller with an emphasis on Affordable Housing



Sources of Funds:

1. Fees on builders
2. Community Assessment Fees (.25% on all real estate sales at Mueller in perpetuity)
3. Shared Equity proceeds on affordable housing sales



Mueller Foundation: Community Benefits

M U E L L E R

Activities to Date:

- Closed 143 Homes
- Mueller Foundation executed the purchase option on 4 Mueller re-sales and sold the homes to income eligible families
- \$8,188,062 Shared Equity captured for long-term affordability at Mueller





WHERE WE ARE GOING

- Continued delivery of affordable housing products as planned
- Next Tax Credit Project
- Continued efforts in examining strategies including Land Trust to achieve longer and deeper affordability
- Continue to work with the City and the community to meet and exceed the MDA goals

Challenges

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- Condo Financing
- Tax-Credit Funding
- Economic Climate
- Mortgage Lending Changes



THE END