

Mueller Redevelopment

M U E L L E R



**Plan Implementation Advisory Commission
Affordable Housing Update— November 15, 2016**

Housing Goal

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Vision

Mueller will be an interactive, mixed-use community that will be a model for responsible urban development, offering a compact pedestrian-oriented alternative to the land-consumptive and automobile-dependent development patterns that could influence the form and pattern of growth within Austin.



Diversity Goal

Redevelopment must offer a wide range of housing choices in order to create a new community of socially and economically diverse residents.



Initial Strategy & Implementation

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Program Design

- City of Austin & Catellus
- Francie Ferguson / Affordable housing & legal experts

Product & Pricing

- Catellus / AH Builders

Marketing & Outreach

- Catellus / AH Builders / Program Administrator

Education & Credit Counseling

- Lenders / City programs / Program Administrator

Screening Buyers

- Lenders/ Program Administrator

Community Input

- Mueller PIAC / Community Development Commission

Program Management

- Catellus & Mueller Foundation

Initial Strategy and Implementation

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Monitoring Compliance

Catellus >

- Builder for pricing, design, product types, program requirements

City of Austin - Economic Development Department (EDD)/ Neighborhood Housing & Community Development (NHCD) >

- Catellus for MDA requirements

City of Austin/ S.M.A.R.T. Housing/ NHCD >

- Income qualifications, rents compliance

Texas Dept. of Savings & Mortgage Lending >

- Program Administrator



Long Term Strategy & Implementation

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Program Leadership

- Mueller Foundation - Non-profit Governing Body

Resale Program

- Mueller Foundation Board/ MF Executive Director / Program Administrator

Program Operations & Management

- MF Executive Director / Program Administrator

Education & Credit Counseling

- Lenders / City programs / Program Administrator

Screening Buyers

- Lenders/ Program Administrator

Monitoring Compliance

- **Mueller Foundation Independent Board of Directors** > Strategy, Policy and Program Administration
- **Auditor** > Financials, Program Administration
- **City of Austin/ S.M.A.R.T. Housing/ NHCD** > Income qualifications, rents compliance
- **Texas Dept. of Savings & Mortgage Lending** > Program Administrator

MDA Requirement – Affordable Housing

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- MDA requires 25% of all housing built to be affordable
- MFI requirement
 - For Sale $\leq 80\%$ MFI
 - For Rent $\leq 60\%$ MFI
- Affordability period (**per S.M.A.R.T. Housing**)
 - For Sale = one year
 - For Rent = five years
- Indistinguishable and interspersed
- Good faith effort to deliver longer and deeper affordability
- Semi-Annual Reporting required



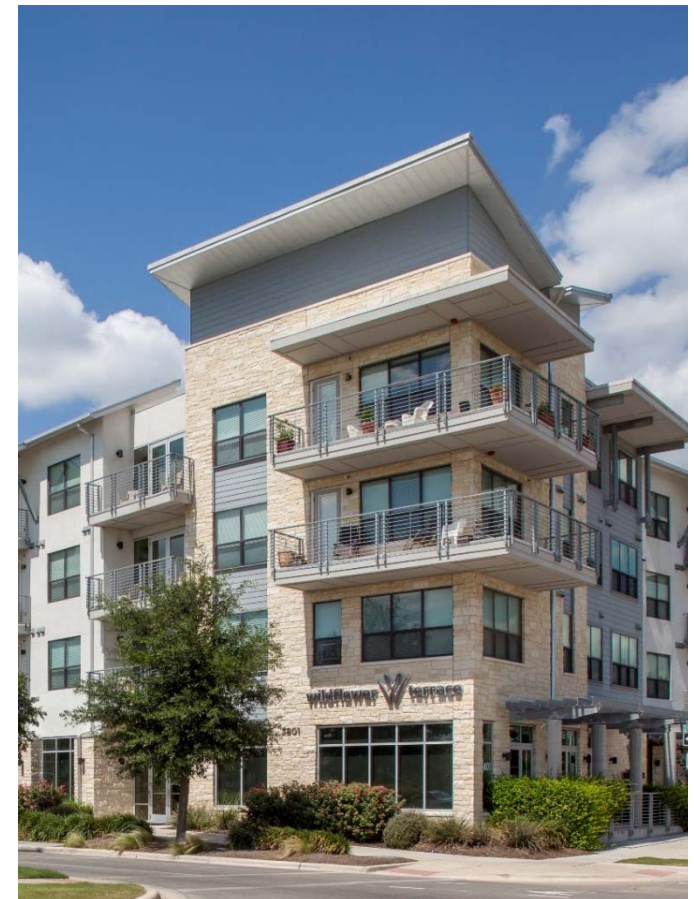
Development Status – Number of Units

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MDA requires 25% affordable housing – projected 1475 units total

Status as of May 31, 2016

Housing Type	Total # of Homes Offered	Total # of Affordable Homes Contracted	% of Affordable Homes
For-Sale	1732	485	28.0%
For-Rent	1981	569	28.7%
Total	3713	1054	28.4%



Current Status – MFI Level

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Median Family Income

For Sale

For Rent Requirement

MDA Requirement

$\leq 80\%$ MFI

$\leq 60\%$ MFI

Current

$<50\%$ to 80%

$<30\%$ to 60%

Over and Above (a broader qualification in addition to what is required)

For Sale

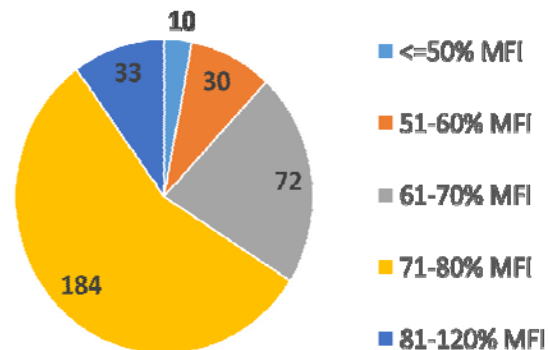
For Rent

up to 120%

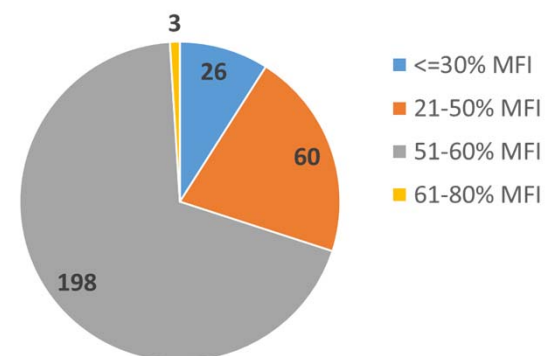
up to 80%

CURRENT AFFORDABLE HOUSING MFI RANGE

MFI of Home Buyers



MFI of Affordable Renters



Current Status/Affordability Period

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	<u>MDA</u>	<u>Current</u>
For Rent Requirement	5 years	50-99 years
For Sale	1 year	long term



Development Status – Product / Design

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Garden Homes



Yard Homes



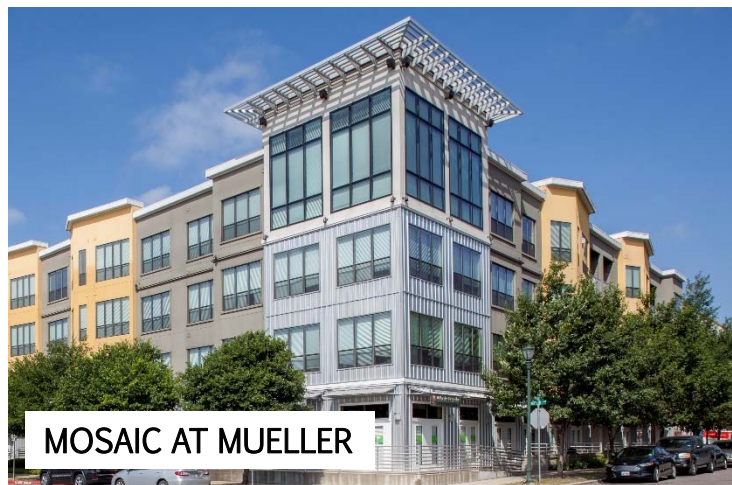
Row Homes



Mueller House Condos

Development Status – Product / Design

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Future Properties In Construction

Aldrich 51

Overture at Mueller

AMLI on Aldrich St.



Expanding Affordable Opportunities

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LONGER, DEEPER AND BROADER:

1. **LONG-TERM affordability**
2. **REACHING LOWER INCOME FAMILIES**
 - ✓ 4% and 9% Low Income Housing Tax Credit Developments
3. **BROADER OFFERING**
 - ✓ Over and above the 25% affordability requirement, Catellus is **adding an estimated 100 homes** for families earning up to 120% MFI
 - ✓ Affordable rental opportunities up to 80% MFI



Mueller Foundation

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Purpose:

The Mueller Foundation is a 501C-3 non-profit corporation created by Catellus to support and fund long-term community goals for Mueller with an emphasis on Affordable Housing.

Mueller Foundation Board Members:

Ray Brimble, President & CEO Lynxs Group

Suzanna Caballero, SVP, Small Business Lending Manager, Vantage Bank (former PIAC member)

Robert D. Repass, Partner, Maxwell, Locke & Ritter

Kerry Tate, Civic Interest

Geraldine Tucker, VP HR, Austin Community College

Jim Walker, Director of Sustainability, UT (former PIAC member)

Greg Weaver, EVP, Catellus

Matt Whelan, Principal, RedLeaf Properties

Mueller Foundation Executive Director:

Patti Summerville



Mueller Foundation: Community Benefits

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Giving Focus:

Affordability, Education & Sustainable Neighborhoods

Affordability

Mueller Shared Appreciation Housing Program

Sustainable affordability

Personal/family financial education

Quality Education

Public education

Pre-school and after-school youth

Mentoring and tutoring

Career, college and workforce preparation

Art and culture

Sustainable Neighborhoods

Natural resources

Recreation, parks, amenities, open spaces, trails

Life-long wellness/fitness/recreation

Diverse and sustainable communities



Mueller Foundation: Advisors

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Affordable Housing :

Frances Ferguson

Long Term Financial Planning:

Compass Advisors - Dana Moore

Property Taxes:

Texas Pro Tax

Legal Advisors:

Michel Gray - Lorri Michel

Locke Lord - Cynthia Bast

DuBois, Bryant & Campbell - Michelle Mobley

Auditors:

PMB/Helin Donovan

Brown, Graham & Company

Community Engagement & Communications:

Civic Interest, LLC - Kerry Tate, Betty Dunkerley, Bobbie Barker, Lee Thomson

Hahn Public - Brian Dolezal

Program Administrator:

Community Wheelhouse - Kelly Weiss

Investment through a donor-advised fund at

Austin Community Foundation



Affordable Homeownership Program Goals:

- Retain as many units as possible for as long as possible
- Ensure housing remains affordable
- Ensure geographic dispersion of affordable homes
- Ensure variety of product types remain affordable
- Ensure success of homeowners in the program
- Ensure sustainability & quality of the program over the long-term



Mueller Foundation – Results

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Program Results:

- 329 Affordable Homes
 - Long-term, resale-restricted ownership
- 48 Homes Resold to qualified buyers
- 57 Homes Refinanced saving \$150/mo.
- 0 Foreclosures

Summary Time Period: Inception (2008) to Date (as of May 31, 2016).



Mueller Foundation: Accomplishments

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Program Improvements to preserve long term affordability:

- Evolved resale structure
- Negotiating TCAD settlement for approach to property valuation
- Participating in Urban Institute Study (voluntary) to track long-term impacts of program
- Continued long-range planning for best-practices

Program Challenges:

- Property taxes
- Addressing program impacts from rising or declining markets

Potential Opportunities:

- Community Land Trust
- State Advocacy



THANK YOU !

