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The Mueller Foundation is 501(c)(3) charitable entity voluntarily formed by Catellus, the master developer of the Mueller Airport Redevelopment.

The Mueller redevelopment project is uniquely rooted in the efforts of committed citizens and neighbors who have for nearly 25 years envisioned a thriving mixed-use urban village at the site of Austin's former airport. This community vision led to the crafting of key goals for Mueller, which in turn guided the development of the award-winning Mueller master plan. Catellus, as Mueller's master developer, has committed in its partnership with the City of Austin and its citizens to ensure this redevelopment of a major city asset produces benefits for the entire community and serves as a model for the region and nation.

Minimum requirements of the Mueller project in areas like affordable housing, Green Building, and small and minority business diversity are incorporated into the Master Development Agreement between the City and Catellus. The Mueller Foundation supports efforts that go beyond the agreement — innovative approaches that produce social and community benefits for more people, in more areas of endeavor, and at higher levels of performance.

Mission:

The Mueller Foundation exists to sustain affordable housing at Mueller and to support the social goals of the Mueller neighborhood with an emphasis on quality education and sustainability in Central and Northeast Austin schools and neighborhoods.

Focus of Giving for the Mueller Foundation:

The primary focus areas are affordability, education and sustainable neighborhoods:

Affordability

- Mueller Affordable Housing Program
- Sustainable affordability
- Personal/family financial education

Quality Education

- Education (primarily children from pre-school through 8th grade)
- 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

Shannon Andre, CPA, CFE is the Austin Managing Shareholder of Brown, Graham & Company. After an RFP process, Brown, Graham & Company was selected to perform an in-depth audit of the Mueller Foundation.

In part because of the future transition of the Foundation (life post-Catellus), the Board decided to make a deeper dive into past years and, therefore, the audit was performed for the years 2013/14/15. The 2016/17 audit begins Summer 2018.

Please see the cover letter and the audit results in a separate document.

Also, please note the Mueller Foundation's 2017 990 is posted on the website (www.muellerfoundation.org) and the audit will be posted within the next two weeks. All future audits will be posted as they are available.

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total YE Net Unit Count | 175 | 213 | 276 | 303 | 335 | 386 | 392 |
| Total Resales | 7 | 8 | 10 | 9 | 17 | 16 | 3 |
| Total New Sales | 20 | 40 | 64 | 31 | 35 | 54 | 8 |
| Total Released to Market* | 8 | 2 | 1 | 4 | 3 | 3 | 2 |
| Total Refinance | 13 | 4 | 1 | 0 | 5 | 4 | 1 |
| Total Closings by Year | 27 | 48 | 74 | 40 | 52 | 70 | 11 |

Provided by Kelly Weiss, Community Wheelhouse, 5.7.18

Homes Released to Market

* 23 homes have been released to market. $23/415 = 5.5\%$.

All of these are Group 1 shared-equity homes which are costlier for the Foundation to keep in the program. We must pay the homeowner about 70% of the shared appreciation and with home prices continually increasing at Mueller, we must remain good stewards of our available funds.

We will only release Group 1 homes to the market when the cost of keeping the home is not financially prudent.

133 of our homes are Group 1 shared-equity. The Shared-equity program was discontinued in 2012. 258 are Group 2 2% fixed-equity homes. We foresee no 2%, Fixed-Equity homes being released to market.

Sustainability

After the buildout of Mueller is complete, the Foundation will operate on community fees collected on all residential and commercial sales and re-sales. Our projections indicate these fees, together with prudent investment choices, will sustain the affordable housing program well into the future.

The Mueller Foundation Board has been committed to sustaining the program since its inception. Their commitment has not changed.

We are currently in the second full year of planning for the transition to life post-Catellus. A long-range planning committee has been formed to oversee the process.

Goals of Long-Range Planning Committee

1. Sustain affordable housing at Mueller
2. Maintain stewardship of financial resources
3. Replace an assistance currently provided by Catellus to ensure a smooth transition
4. Maximize number of homes in the program
5. Review all vendors and partners to determine best fit, accountability and appropriate fees.

2017 Accomplishments

1. All policies and procedures were reviewed and updated (led by consultant Janice DeMartino)
2. New processes were put in place to ensure fiscal accountability and oversight (led by consultant Janice DeMartino)
3. Community Fee Collection process streamlined and coordinated with the following groups:
 - a. Mueller Foundation CAF report (captures initial and resale)
 - b. Settlement report-Associa (homeowner's association) report of transferred properties- (captures initial and resale)
 - c. Catullus home sales report (captures all initial residential sales)
 - d. Community Wheelhouse report-tracks all Affordable home sales
 - e. TCAD report (captures resale)
 - f. MLS reports to double check against TCAD
4. Audit was begun for 2013/14/15 and completed early 2018.

TCAD Resolution

5. A Memo of Understanding was signed with **TCAD** to settle the Group 2 fixed-equity homeowner property tax issues.
6. Discussions with **TCAD** were not successful for Group 1 shared-equity homeowners. However, their initial assessment was set at their affordable purchase price (not the market price) in year one and rise 10%/year like all other homeowners.
 - a. Group 1 homeowners have been given the opportunity to convert to 2% fixed-equity program which will significantly reduce their taxes over time. Five homeowners have indicated interest and will begin the process in June, 2018.

2018 Plans

1. 2016/17 Audit (begins Summer 2018)
2. Review and refinement of all legal documents for sale of affordable homes
3. Identification of all Catellus assistance and plans for replacement

Board Chair: Robert (Rob) D. Repass, Partner, Maxwell, Locke & Ritter

Rob is a CPA and partner in the largest locally owned and managed CPA firm in Central Texas. After learning from community input the hope of East Austin neighborhoods for pedestrian trails, Rob proposed and now leads EastLink, a series of proposed improvements to connect 4.7 miles of trails in Central East Austin – from Bartholomew Park to Lady Bird Lake. Ultimately, EastLink can become a treasured recreational asset, as well as an alternative to commuting by auto. This is a citizen-based initiative to repair old paths and build new byways for pedestrians and cyclists. Believing urban trails for recreation, fitness and access to destinations builds community, Rob champions the Eastlink project and needed public and private investment.

Board Secretary: Greg Weaver, Executive Vice President, Catellus Development Corp

Greg has been the driving force behind the Mueller Development as well as the Mueller Foundation. While the MDA with the City required 25% affordable housing (for sale and rental), Greg was not satisfied with one-time sales. With input from Community Members like Jim Walker, Greg set the wheels in motion and created the Mueller Foundation to sustain the affordable housing initiative. There was no other program like it in the nation, so the Foundation was started from scratch. It is now a model in the Affordable Housing world. Greg is actively involved with the Urban Land Institute, member of the CDC Green Product Council, board member of the Austin Parks Foundation and serves on the Executive Leadership team for the Austin Heart Walk program.

Board Treasurer: Suzanna Caballero, Sr. Vice President, Small Business Lending Vantage Bank

Suzanna grew up in Northeast Austin, spending her summer days at Patterson Park and attending Maplewood Elementary School. As a member of the RMMA Plan Implementation Advisory Commission, a citizen commission appointed by the Austin City Council in 2000, Suzanna was able to immerse herself in the complex yet exciting transition of the Mueller airport redevelopment. Following her committee involvement, she later agreed to serve on the board of the Foundation where she helps advise the foundation's mission to sustain affordable housing at Mueller and to support the social goals of the Mueller neighborhood. She is a very happy resident of Mueller.

Geraldine (Gerry) J. Tucker, Attorney-at-Law, Vice President, Human Resources, Austin Community College

Gerry is a long-time Austin resident of East Austin. After practicing law as an employment and family law attorney, she joined the Austin Community College as VP of HR. She is also writer and a spiritual, career, and life coach. (see <https://www.thespiritworks.net/>). She epitomizes what she teaches: assisting individuals in exploring their purpose and passion with the goal of integrating their human experience with their spiritual nature. Gerry has served the community as Chair, Austin First Step, Member of Leadership Austin and Leadership Texas, Board Member of the Austin Community Foundation, Top Ladies of Distinction, The Links, and Communities in Schools.

Jim Walker, Director of Sustainability, The University of Texas at Austin

Jim was one of the key community leaders responsible for the Mueller Development, continues to serve on the Foundation Board, and is especially focused on Affordable Housing. When the development was still a dream, he was leading community groups to help inform the City and Catellus what the surrounding neighbors wanted and expected. He is not one to shy away from a fight and has been a

tireless advocate for Affordable Housing and the residents of Mueller. Jim is a member of the American Institute of Certified Planners and is Board Chair of Envision Central Texas.

Raymond (Ray) J. Brimble, President & CEO, Lynxs Group

Ray is an Austin-based businessman with a portfolio combining entrepreneurial and managerial accomplishments spanning a 40-year career. He founded his first company at 22 and has since founded more than 50 companies. I once asked him how he ended up with this career and his answer was – “I never had a plan or a goal – I did the next thing I was interested in. And I was lucky.” Most importantly, he and his wife, Karen, formed the One Skye Foundation, which provides catalyst funding for our community’s most innovative social and civic efforts. He is on the Advisory Board for Conspirare, board member of KIPP: Austin Public Schools, and past chairman and current board member of the International Partnership of Greater Austin.

Kerry Tate, Entrepreneur: Former owner of TateAustin PR (now Hahn Public), Kerry sold her public relations firm and turned her business interest to Moore-Tate Projects+Design, an urban infill homebuilder. Kerry is a founding partner of Civic Interest, LLC, a base camp for civic-minded people and projects. Community service includes serving as Board Chair for Leadership Austin, the Austin Community Foundation and the Greater Austin Chamber of Commerce, Austin Community Foundation and past Honorary Chair the local breast charitable event, the Texas Mamma Jamma Ride. She currently serves Mayor Steve Adler to the Mayor’s Better Austin Foundation. This aside: Lucky for Kerry who was determined 15 years ago to have the airport redevelopment project as a PR client, Greg Weaver and family moved two doors away in her neighborhood. Handy, except moving into the house in-between was an obnoxious unneighborly dog whose name was, coincidentally, Tate. Almost killed the deal.

Matt Whelan, Principal/Founder, RedLeaf Properties

Matt has in-depth knowledge of the Mueller Development as well as Affordable Housing as he served as the Regional Director for Catellus Development Group and the senior Texas executive responsible for leading the redevelopment. He then became the Founder/Principal of RedLeaf Properties, LLC where he is responsible for strategic direction and execution. He is leading the effort for adaptive reuse and redevelopment of Highland Mall in conjunction with Austin Community College. The 80-acre mixed-use redevelopment will transform the failed mall into a vibrant district that features nearly 4 million square feet of residential, office, retail, hospitality and educational uses. Matt is a member of the Urban Land Institute, Urban Development Mixed-Use National Council, and has served on the Advisory Board of the Airport Boulevard Initiative and Caritas.