



RMMA Plan Implementation Advisory Commission November 15, 2022



Background

- Vision and Goals
- Designing the Program
- Exceeding Expectations

By the Numbers

- Affordable Rental Options
- Affordable Ownership Options

About the Mueller Foundation

- Milestones
- Leadership
- Implementation
- Financial Stability
- Ownership Figure
- Outreach & Marketing

Sustainability

- Retention
- Resales
- Program Integrity
- Equity
- Accountability
- Property Stewardship



Vision

Mueller will be an interactive, mixed-use, mixed-income 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.

Goal

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



- Development with intermixed affordability was a very new concept; it had not been done in Texas before; 25% affordability an ambitious goal.
- One-year affordability was the MDA requirement for homeownership; the City and the surrounding community wanted Mueller to go farther.
- The land trust statute did not yet exist when the Mueller Affordable Homes Program was forming.
- \$165,000 homes were available in the marketplace.
- Stapleton (now known as Central Park): 10% affordability; fewer resale protections; less interspersed
- The team worked with City of Austin and PeopleFund/PeopleTrust to design the affordability preservation program.
- Creation of a nonprofit (Mueller Foundation) to steward the housing program and other public goals.




Requirements

- ✓ MDA requires 25% affordable housing:
 - For sale requirement = 80% MFI for one year
 - For rent requirement = 60% MFI for five years
- ✓ MDA incorporates Affordable Housing Resolution confirming Catellus commitment to use good-faith efforts to provide longer and deeper affordability



- ✓ City selected Catellus as the master developer
- ✓ Master Development Agreement (MDA) regulates the redevelopment
- ✓ Mueller is a certified S.M.A.R.T. Housing development

Beyond Requirements

- ✓ **Longer-term affordability up to 30 years using fixed-appreciation model, renewed upon resale for ownership units**
 - ✓ **Long-term affordability from 40-99 years for all rental apartments**
- 
- ✓ Added some new and resale workforce housing at 120% MFI
 - ✓ Self-sustaining model to monitor and enforce compliance with affordability restrictions and provide post-ownership support, i.e. stewardship
 - ✓ Market-rate rental properties have a minimum of 10% affordable units, with the majority delivering 15% affordable units
 - ✓ Predominantly affordable rental developments have reached deeper affordability: some units serve 30-50% MFI or below
 - ✓ Affordable homes integrated throughout

Median Family Income

For Sale
For Rent Requirement

MDA Requirement

< = 80% MFI
< = 60% MFI

Current MFI

< 50% to 80%
< 30% to 60%

Beyond the First Year

For Sale
For Rent

MDA Requirement

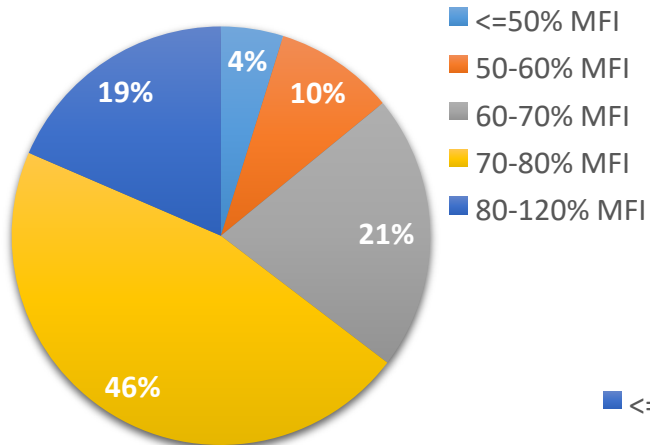
Good-faith effort
Good-faith effort

Current MFI

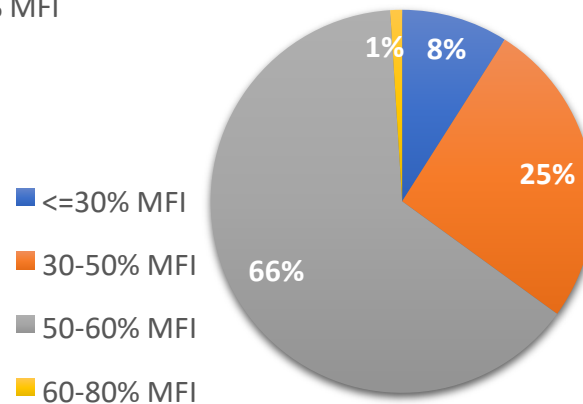
Up to 120%
Up to 80%



MFI of Home Buyers



MFI of Affordable Renters



Wildflower Terrace



AMLI @ Mueller



Sync @ Mueller



AMLI @ Aldrich



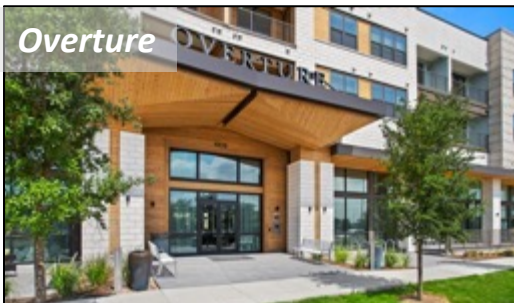
Aldrich 51



Mosaic @ Mueller



Overture



AMLI Branch Park



The Jordan

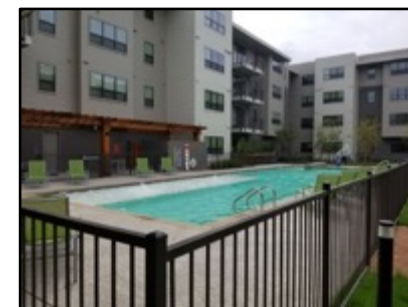
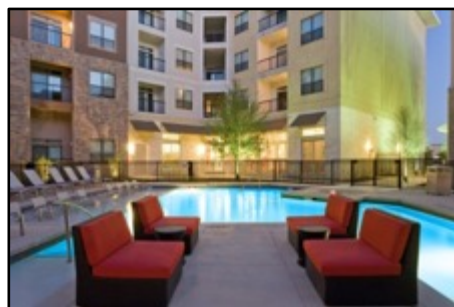


Ryan Companies Project (coming soon) **AMLI Ivy** (coming soon)

Number of Apartment Units

Community	Market	Affordable	Total	% Affordable	Years Affordable
Mosaic	397	44	441	10%	50
Sync	271	30	301	10%	50
Wildflower Terrace	30	171	201	85%	99
AMLI Mueller	237	42	279	15%	50
Aldrich 51	36	204	240	85%	99
AMLI Aldrich	270	48	318	15%	50
Overture	171	30	201	15%	50
The Jordan	0	132	132	100%	40
AMLI Branch Park	345	61	406	15%	50
Ryan Co. Project	293	52	345	15%	50
AMLI Ivy	277	49	326	15%	50
CURRENT TOTAL¹	2,327	863	3,190	27.1%	

¹Does not include more apartments yet-to-be announced





Number of Ownership Units

Home Type	Market	Affordable (80%)	Workforce (120%)	TOTAL
Garden Court	58	0	0	58
Shop	23	0	0	23
Garden	84	70	0	154
Mueller House	109	120	27	256
Town Green	52	24	0	76
Paseo Row	14	50	32	96
Cottage	11	17	0	28
Other Yard	808	63	0	871
Other Row	585	308	0	893
Condo ²	267	52	0	319
TOTAL	2,011	704	59	2,774¹

= 25.4% affordable at 80% MFI
 = 27.5% affordable and 120% MFI



¹ This figure includes all homes built, plus homes planned in Section 11

² This figure does not include Austin Modern Lofts projects

About: Milestones in Affordable Home Ownership Program

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Housing Summit I

- Demonstrate to builders what can be done
- Interspersed homes
- Ferguson consultant

Shift to Group II:

- Preserve affordability based on home values
- Projections, studies
- Legal docs

Expert Consulting:

- National consultants
- Transition planning
- Affirmative marketing
- 10-year projections

New, More Staff:

- Housing based ED
- Ops Manager
- Added partners

Mueller Foundation Created

- Austin Community Fnd
- PeopleTrust consulting
- Established board

2005

2007

2013

2019
2020

2021

2008

2016
2018

2021

2022

2006
2007

Housing Summit II

- Affordability by design
- Increased density
- Live-work opportunities

TCAD Solutions:

- MOU assigns value of home to original affordable price
- Share with TCAD annual affordable inventory

Updated Policies/Programs:

- Affirmative marketing
- Home rental policies
- Restrictive covenant
- Listening sessions

More Policies:

- Home sustainability
- Capital improvement support

Design

- Shared-Appreciation Model
- Pioneer Program
- Documentation



Purpose:

The Mueller Foundation is a 501(c)3 non-profit corporation created by Catellus to support and fund long-term community goals for Mueller with an emphasis on affordable housing

Board Members:



Suzanna Caballero



Rob Repass



Kerry Tate



Jim Walker



Matt Whelan



Greg Weaver



Leslie Wingo

*Currently
recruiting for
two more board
members*

Staff Members

- Frances Ferguson, Executive Director
- Phyllis Greenberg, Operations Manager

Memberships

- Grounded Solutions Network

Partners

- Austin Community Foundation
- BCL Texas
- Brown, Graham & Company
- Catellus Development
- City of Austin
- Community Wheelhouse
- Contractors Smith Strategies; MAPA LLC
- Hancock, McGill & Bleau
- HousingWorks
- Matt Malcom, CPA
- Mueller's homebuilders
- Mueller Neighborhood Association
- Mueller Property Owners Association
- Texas ProTax

Responsibilities

- Marketing and outreach
- Support home buyers through process
- Income certification
- Education
- Stewardship of properties and owners
- Affordable resales
- Compliance, documents and data
- Informational resource for homebuilders
- Reporting to Foundation board, to City



Main Revenue Sources:

- One quarter of one percent (0.0025%) of every property sale in Mueller, including all residential and commercial buildings, even after transition
- Transaction fees: stewardship, sales, refinancing
- Resales returned to the market when some homes are less sellable or there too many homes entering the market simultaneously or Group I market value is more than the Foundation can afford

Main Expenses:

- Resale home purchases
- Salaries and professional services

2020-2021 Audit:

- Financial statement disclosures are neutral, consistent and clear
- Encountered no significant difficulties in dealing with management relating to the performance of the audit
- No uncorrected and/or corrected misstatements identified by us as result of audit procedures were material, either individually or in the aggregate
- Full audit report available at: muellerfoundation.org/about/audited-financial-statements/

"In our opinion, the accompanying financial statements referred present fairly, in all material respects, the financial position of the Mueller Foundation as of December 31, 2021 and 2020, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America."



Brown, Graham & Company, P.C.
Certified Public Accountants

	ALL	Group 1	Group 2
TOTAL	560	95	465
Garden Home	66	11	55
Mueller Home	120	13	107
Row Home	308	33	275
Yard Home	60	38	22
Cottage Home	6	0	6

746 families served to date:

- 595 original new homes (560 in program)
 - Includes 45 workforce homes at 120%
 - 35 released to market
- 151 resales

560 affordable new and resale homes currently in program as of June 1, 2022



Most Recent Information Sessions To Date:

- 16 live (Zoom) information sessions
- Average 80 registrants and 40 participants per session
- 225+ local organizations contacted

Updated marketing materials:

- Infographic: road to ownership
- Resource guide
- FAQs

Updated outreach:

- Emails, calls to interest lists and stakeholder groups
- Targeted advertising on social media, radio, newspapers
- Encourage attendance to Zoom info sessions, visit website, contact Wheelhouse; automatically added to interest list

Results of Affirmative Marketing (self-reported):

- Anglo: 43%
- Latinx: 25%
- Asian: 15%
- Black: 13%
- Mixed: 2%
- Native American: 0%
- Did not disclose: 2%



An example of the information session promotion the Mueller Team has shared

Retention of Affordability

- Legal docs: Original 2nd Lien/Deed of Trust now Restrictive Covenant
- Legal docs: Purchase Option & Right of First Refusal
- Agreement with TCAD
- 30-year: Some owners will live in their homes 30 years and pay off the lien/covenant
 - Homeowner has option to renew the affordability covenant after 30 years
 - Must be primary residence
 - No leasing without Mueller Foundation approval (very limited – e.g. 1 year for health/work/education)

Financial Risk for Resales

- Funding for Group 1 repurchases
- Do incomes and appreciation “match”
- Interest rates
- Property condition (discussed below)



Integrity of Program

- Annual compliance letters
- Multiple enforcement actions for major defaults (e.g. occupancy)
- No foreclosures to date

Stewardship of Equity

- Updated affirmative marketing program launched 2021
- Down-payment program for lower-wealth prospective buyer pool applicants launched 2022

Long-Term Accountability

- Developing plan for ongoing relationship with City
- Recruiting additional board members
- Annual financial audit
- Agreement with TCAD

Property Stewardship

- In process: Capital replacements
- In process: Capital improvements



Thank you.

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