



Robert Mueller Municipal Airport Plan Implementation Advisory Commission September 12, 2023



Background

- Vision and Goal
- Designing the Program
- Introducing HomeBase

Affordable Rental Update

- Affordable Rental Options
- Exceeding MDA Requirements
- By the Numbers

Affordable Ownership Update

- Affordable Ownership Options
- Exceeding MDA Requirements
- By the Numbers

About the Mueller Foundation

- Purpose and Leadership
- Program Partners
- Program Implementation
- Milestones
- Financial Stability
- Outreach & Marketing

Transition

- Retention
- Accountability



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 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 nationally.
- 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.



- Thank you to Community Wheelhouse for its many years of professional support to the Mueller Affordable Homes Program
- HomeBase is a 501(c)3 nonprofit subsidiary of Austin Habitat for Humanity that provides affordable housing consulting services.
- In March 2023, the Mueller Foundation hired HomeBase to manage Mueller's affordable re-sale program
- In July 2023, Catellus also hired HomeBase to:
 - Manage income qualification for all affordable homebuyers
 - Guide buyers under contract through the affordable home closing process
 - Confirm Mueller's apartment communities are complying with their affordable housing rental agreements
 - Support the overall marketing of the Mueller Affordable Homes Program
- More information available at <https://homebasetexas.org/>



Mosaic @ Mueller



Sync @ Mueller



Wildflower Terrace



AMLi @ Mueller



Aldrich 51



AMLi on Aldrich



Overture



The Jordan



AMLi Branch Park



Rivette (coming soon)



AMLi North Park (coming soon)



AMLi's Next Community (coming soon)



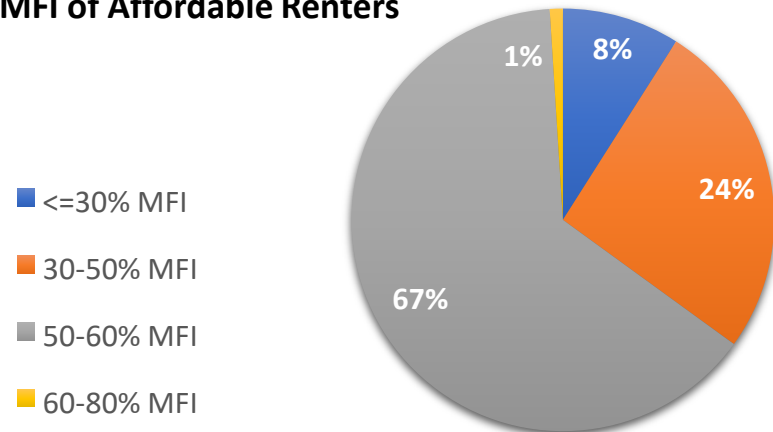
Requirements

- ✓ MDA requires 25% of all housing to be affordable
- ✓ For rental 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

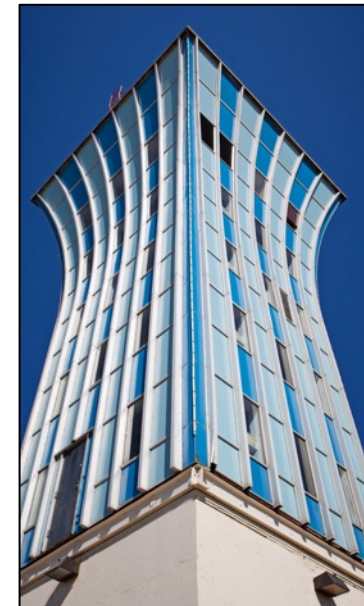
- ✓ Mueller has 25% all current and upcoming rental units as affordable to those who qualify
- ✓ Market-rate rental properties have a minimum of 10% affordable units, with the majority delivering 15% affordable units
- ✓ Long-term affordability from 40-99 years for all rental apartments
- ✓ Predominantly affordable rental developments have reached deeper affordability: some units serve 30-50% MFI and The Jordan provides some transitional housing for those who had experienced homelessness

MFI of Affordable Renters



Number of Apartment Units Completed, Constructed & Contracted

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
Rivette (Ryan)	293	52	345	15%	50
AMLI North Park	277	49	326	15%	50
AMLI Next Community	550	98	648	15%	50
CURRENT TOTAL¹	2,877	961	3,838	25%	



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



*Yard
Homes*



Garden Court Homes



*Multi-level
Condos*



Mueller House Condos



Row Homes



Cottage Homes

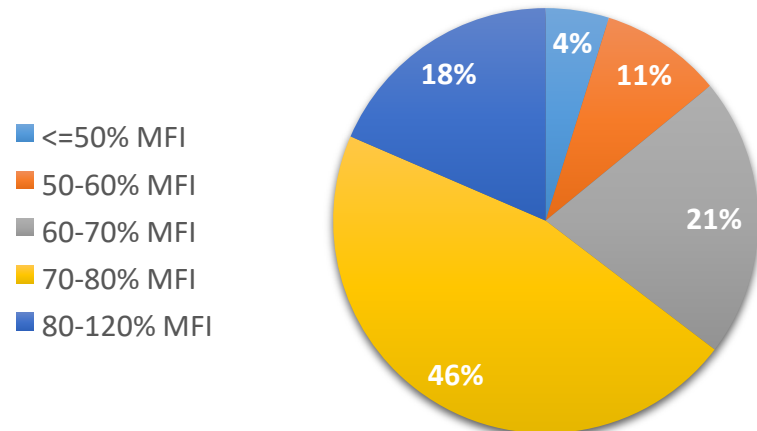
Requirements

- ✓ MDA requires 25% of all housing to be affordable
 - ✓ For ownership requirement = 80% MFI for one year
 - ✓ 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

- ✓ Mueller has 25% all current and upcoming ownership units as affordable to those who qualify
 - ✓ Longer-term affordability: 30 years using fixed-appreciation model, renewed upon resale for ownership units
 - ✓ Self-sustaining model to monitor and enforce compliance with affordability restrictions and provide post-ownership support, i.e. stewardship
 - ✓ Affordable homes integrated throughout and indistinguishable from market rate housing
- Added some new and resale workforce housing at 120% MFI

MFI of Affordable Home Buyers



Number of Ownership Units Completed, Constructed & Contracted

Home Type	Market	Affordable (80%)	Workforce (120%)	TOTAL
Garden Court	58	0	0	58
Shop	27	0	0	27
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	795	63	0	858
Other Row	555	308	4	867
Condo	262	52	5	319
TOTAL	1,967	704	68	2,739¹

= 25.7% affordable at 80% MFI
= 28.2% affordable and 120% MFI



¹ This figure includes homes and condos built or under construction, including Section 11 and Mueller's three condo projects: Pearlstone's Parkside and Austin Modern Loft's Iris and Concourse

	All	Group 1	Group 2
TOTAL	591	89	502
Garden Home	69	11	58
Mueller Home	129	11	118
Row Home	316	32	284
Yard Home	60	35	25
Cottage Home	17	0	17

793 families served to date:

- 629 original new homes (591 in program)
 - Includes 45 workforce homes at 120%
 - 38 released to market
- 164 resales

591 affordable new and resale homes currently in program as of June 1, 2023



Most Recent Information Sessions To Date:

- 21 live (Zoom) information sessions
- Average 140 registrants and 60 participants per session
- 230+ 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 thru 8-14-23):

- Anglo: 39%
- Latinx: 29%
- Asian: 13%
- Black: 12%
- Mixed: 2%
- Native American: 1%
- Did not disclose: 2%



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



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

Team Members

- Frances Ferguson, Executive Director
- Phyllis Greenberg, Operations Manager
- Sophia Shaney, Document & Data Management
- Lindsay Smith, Outreach Support

Operating Partners

- HomeBase
- Texas ProTax
- Hancock, McGill & Bleau
- Matt Malcom, CPA
- Mueller Property Owners Association

Additional Partners

- Austin Community Foundation
- BCL Texas
- Brown, Graham & Company
- Catellus Development
- City of Austin
- Grounded Solutions Network
- HousingWorks
- Mueller's homebuilders



Home Sales

- Information sessions and materials
- Answer questions
- Refer first-time homebuyer to learn more
- Refer some to credit counseling
- Conduct income certification
- Equity stewardship:
 - Updated affirmative marketing program
 - Down-payment program for lower-wealth prospective buyers
- Report info to homebuilders, Catellus, City

Home Resales

- Foundation has recorded Purchase Option; thus has first right to purchase the home
- HomeBase manages resale process:
 - Determine home price
 - Market to pre-qualified affordable buyers on waiting list
 - Manage sale transaction
- Report info to Catellus, City

Ongoing Stewardship

- Compliance management:
 - Ensure owners living in property or require them to sell
 - Annual compliance letters
 - Allow temporary rental opportunities
- Maintain working relationship with TCAD
- Work closely with POA:
 - Assessment increases
 - Check for property sales within Mueller to confirm funding source
 - Educate owners about stewardship, future maintenance costs

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

New, More Staff:

- Housing based Exec Dir
- Ops Manager
- Added partners

Transition Prep:

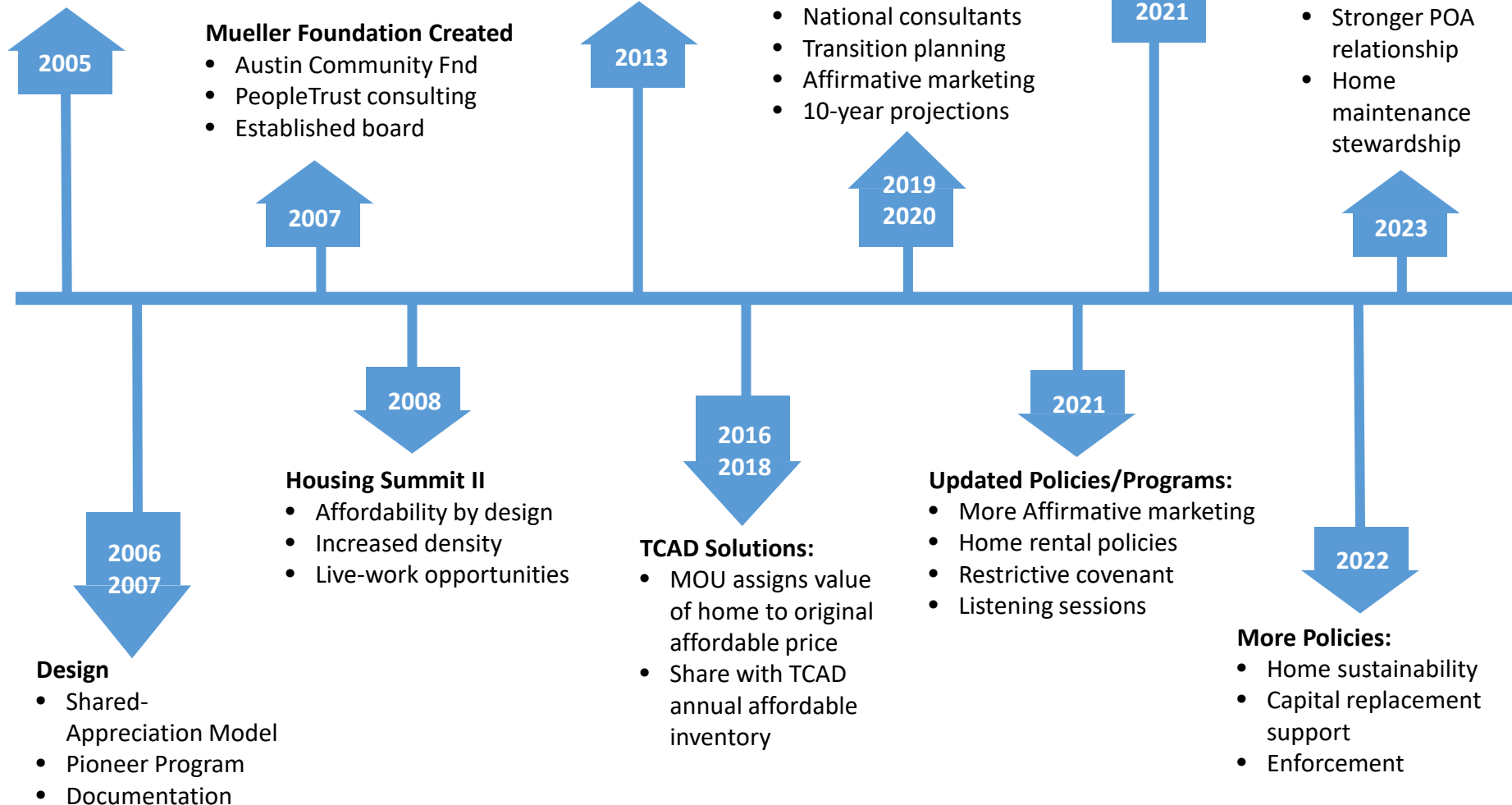
- Hired HomeBase
- Stronger POA relationship
- Home maintenance stewardship

Mueller Foundation Created

- Austin Community Fnd
- PeopleTrust consulting
- Established board

Expert Consulting:

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



Design

- Shared-Appreciation Model
- Pioneer Program
- Documentation

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:

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

More Policies:

- Home sustainability
- Capital replacement support
- Enforcement

Main Revenue Sources:

- One quarter of one percent (0.0025) of every property sale in Mueller, including all residential and commercial buildings
- Stewardship fee to help cover admin costs
- 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

2021-2022 Audit:

- Should be ready by October 2023
- Anticipate another clean audit with neutral, consistent financial statement
- 2020-2021 Full audit report available at: muellerfoundation.org/about/audited-financial-statements/



Retention of Affordability

- Legal docs: Original 2nd Lien/Deed of Trust now Restrictive Covenant - recorded
- Legal docs: Purchase Option & Right of First Refusal - recorded
- 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

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



Goal: to retain as many affordable homes as possible, but there will be attrition:

- After 30 years, some homeowners may not want to stay in the program, despite tax increases
- Some Group 1 homes may be too expensive for Foundation to purchase
- Some home layouts may be less desirable for affordable households to want to purchase
- Outside factors like interest rates or a sour economy

Mueller Foundation operates like any 501c3 nonprofit organization:

- Experienced board of directors who review facts, figures and financials
- Considering to bring on new board members
- Standard accounting principles and annual audit
- Experienced executive director
- HomeBase as institutional partner

Planning to develop a report to the community:

- Posted online for all to see
- To be shared with:
 - City of Austin
 - POA
 - Affordable homeowners
 - Mueller's apartment managers
 - Other relevant stakeholders

Mueller Foundation & Property Owner Association Operating MOU:

- Residential resale certificates
- Commercial sales
- Compliance investigation



Thank you.

MUeller



Latest section of Mueller's affordable and market-rate homes, May 2023