



Sustaining Affordability at Mueller

Mueller's Affordable Homes Program

PROGRAM OVERVIEW

August 2016

Mueller

Mueller — the redevelopment of Austin’s former Robert Mueller Municipal Airport — is a joint project between the City of Austin and Catellus Development, the Master Developer. The vision of Mueller as a mixed-use, mixed-income community that responds to civic needs and goals dates back many years, and the planning and execution of the redevelopment has involved substantial citizen input. This community vision includes specific goals that encourage Mueller to set new standards for the Central Texas region and beyond in terms of affordability, accessibility, diversity and sustainability.

Mueller Affordable Homes Goals

In support of the community’s goals, the master plan for Mueller includes a commitment to diversity, providing a wide range of home types and prices. Mueller’s affordable homes program was created specifically to include homes for families earning less than the area’s median income that might not otherwise be able to afford a home in central Austin. Catellus, the City of Austin, Mueller homebuilders and apartment developers work together to provide a portion of all the homes at Mueller at a purchase or rental price structured for these households through Mueller’s affordable homes program.

The affordable homes program will include at minimum 25 percent of Mueller’s for-sale and for-rent residences at the project’s completion. These houses, condominiums and apartments are interspersed throughout the community and are essentially indistinguishable, having design and construction standards consistent with all homes built at Mueller.

Prospective homebuyers and apartment renters interested in the program work with Mueller builders and apartment developers going through an application process to income-qualify and meet eligibility criteria modeled after the City of Austin’s S.M.A.R.T. Housing™ Program. The earnings benchmark to purchase a home is 80% or less of the area’s Median Family Income (MFI) and is 60% or less of the area’s MFI for apartment rental in Mueller’s affordable homes program. As a percentage of total housing, Mueller’s affordable homes program is larger than that of similar developments around the country and exceeds what has been required by inclusionary zoning ordinances (where all new residential developments must contain affordable homes) in other cities nationwide.

Beyond Mueller’s initial development, Catellus is striving to preserve or sustain the availability of affordable homes at Mueller for years to come. Apartment developers have made commitments to the affordable homes program well beyond the targeted goal of a five-year duration, providing the

opportunity of affordable rental homes from fifty to as long as ninety-nine years. The Mueller Foundation, a 501c(3) nonprofit corporation, was created to provide support to future home

affordability and other Mueller community goals. In addition, an affordable home resale program has been implemented at Mueller to keep homes available in Mueller's affordable homes program.

Mueller Foundation

The Mueller Foundation, a 501c(3) nonprofit corporation, was created by Catellus to provide a long-term mechanism for implementing, supporting and providing funds for specific public purposes and benefits derived from Mueller's community vision and goals. Its primary efforts are to sustain affordable housing in Mueller and to support the community's goals with an emphasis on quality education and sustainability in Central and Northeast Austin schools and neighborhoods.

Mueller's Affordable Homes Program – Home Sales

A result of the collaboration by Catellus, the City of Austin and Mueller homebuilders to meet the goal for affordability, homes purchased in Mueller's affordable homes program include resale and other restrictions and are sold for less than a conventionally priced home. This difference between the affordable sales price and conventional sales price is reflected in a soft second lien held by the Mueller Foundation to support future affordability efforts.

Mueller's affordable homes program is designed so that homebuyers, who qualify and enter into a contract with a homebuilder in the program, make a down payment as required by a lender and commit to mortgages based on the sales price of the home. The Mueller Foundation holds a purchase option on the home. When an affordable program homeowner sells his/her home – market conditions permitting - the homeowner recovers the investment of the down payment and principal paid on the home, as well as a defined appreciation on that investment. The Mueller Foundation has the first opportunity to exercise its purchase option and assign the purchase to another income-eligible buyer.

In this way, Mueller's affordable homes program gives a homebuyer the opportunity to purchase a home and the potential for gain on that investment, while also insuring that the benefit created by Mueller's affordable homes program partners allows the Mueller Foundation to serve more families.

Mueller Foundation Affordable Resale Homes

An affordable resale home is a home that was initially purchased by a qualified homebuyer through Mueller's affordable homes program that the homeowner desires to sell and where the Mueller Foundation resells the home to another qualified homebuyer.

These limited affordable resale opportunities will be available to individuals or families who meet the eligibility guidelines for the resale program. This resale effort is another effort that will sustain affordability at Mueller.

Further information can be found as follows:

Mueller Development information at www.MuellerAustin.com.

Mueller's affordable homes program details at
www.muelleraustin.com/homes/affordable-homes

Mueller Foundation information at www.muellerfoundation.org

Mueller Foundation Resale Homes notification list - send contact info to affordable@muelleraustin.com