

A family of four is gathered around a dining table, celebrating a birthday. A man in a light blue shirt stands behind a woman in a purple top who is writing on a card. Two young girls are seated at the table; one is holding a white card. In the center of the table is a chocolate birthday cake with lit candles. There are glasses of orange juice and plates of food on the table. The background shows a bright, modern kitchen with white cabinets and a potted plant.

# Mueller Affordable Homes Program

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Information Session - 2024



# Agenda

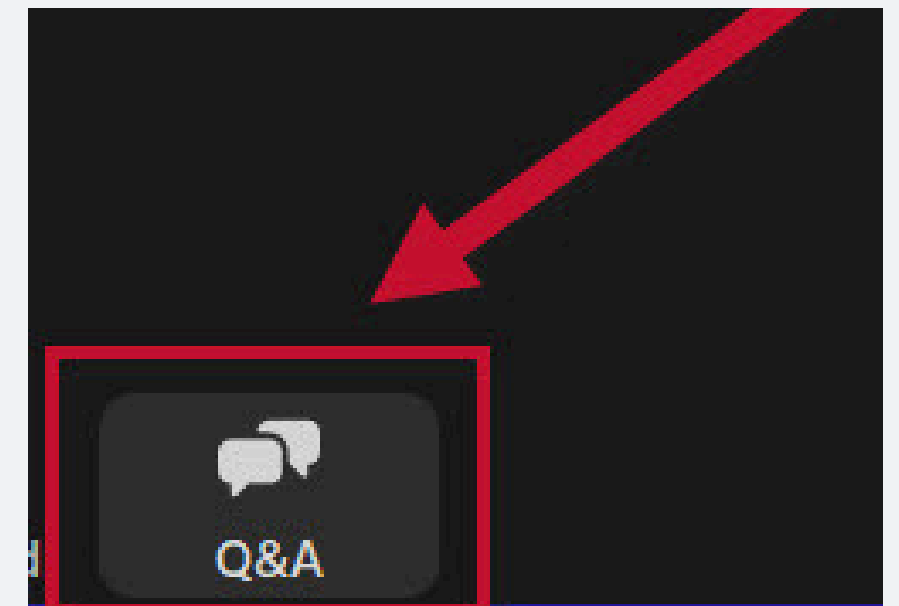
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- Webinar Instructions
- Who's Who
- About Mueller
- Mueller Affordable Homes Program Overview
- Resources

# Webinar Instructions

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- To submit a question:
  - Click on the Q&A button the bottom bar in your Zoom screen
- Questions will be answered in the Q&A box during the presentation or live after the presentation
- You can click the "thumbs up" icon to bump a question if someone has asked your question already





# Presenters

- Frances Ferguson, The Mueller Foundation
- Robin Lafleur, HomeBase Texas
- Lindsay Smith, Smith Strategies
- Brian Dolezal, Catellus



# Mueller Foundation

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- A nonprofit corporation formed to further Mueller's social and community goals, including affordability and inclusion.
- Supported by all property sales, affordable stewardship fees and by contributions from Catellus and its development partners.
- Foundation works to maintain affordability of existing homes or to create new affordable housing opportunities at Mueller.





# Catellus

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- Catellus is Mueller's master developer with responsibility for the community's overall development, including the initial creation and oversight of Mueller's Affordable Homes Program.
- Catellus is a partner with the City of Austin to develop Mueller and oversees the development's goals to reach 25% affordable housing.







# HomeBase Texas

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- HomeBase Texas, a sister organization of Austin Habitat for Humanity, is Mueller's affordable homes program administrator.
- HomeBase Texas works with Catellus, the homebuilders and Mueller Foundation to administer program requirements involved in the purchase, sale and maintenance of a Mueller Affordable Home.
- They also support homebuyers pre- and post-closing, directing them to resources and addressing any questions they may have about the program.



# Mueller

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## By the Numbers

### Homes

- Nearly 2,300 single-family homes, row homes, and condos complete
- 2,500+ apartments complete
- 14,200+ people living in Mueller

### Commercial

- 1.06 million SF of commercial & institutional space complete
- 130 businesses open (59% local)
- 50+ eateries
- 10,300+ employees working in Mueller

### Parks & Open Spaces

- 10 parks complete
- 122 acres of parks and open space in use
- 6.3 miles of trails complete

# Available Home Types



Condos



Row Homes



A family of four is gathered around a dining table celebrating a birthday. In the center is a chocolate cake with several lit candles. A young girl in a red shirt is seated at the table, looking towards the camera. A man in a light blue shirt stands behind her, smiling. A woman in a purple top is seated to the right, looking down at the cake. A young boy in a white shirt is also seated at the table, looking towards the camera. There are glasses of orange juice and plates on the table. The background shows a bright, modern interior with a window and some potted plants.

# Program Overview

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# What is the Mueller Affordable Homes Program?

- The Mueller Affordable Homes Program is reserved for households that earn up to 60% MFI to rent an apartment and up to 120% MFI to purchase a home, although most new builds are available to households that earn up to 80% MFI.
- The Program uses a restrictive covenant to keep the home price and taxes in a price range for families at these incomes
- The Program uses a fixed appreciation model
- Approximately 25% of all homes in Mueller are a part of the Affordable Homes Program and these are interspersed throughout the community

# What does "affordable" mean in Mueller?

- Affordability is determined by Median Family Income (MFI). MFI is determined by Metro Area, Income and Household Size.
- MFI is used as a benchmark in affordable homes programs
- MFI is an annual gross income figure statistically obtained from a metro area or group and relates to the size of a household or family.
- MFI for the Austin metro area is determined annually by the U.S. Department for Housing and Urban Development (HUD) and the City of Austin.

# 2024 Austin Area Median Income

MFI	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON
60%	\$52,920	\$60,480	\$68,040	\$75,600	\$81,660
80%	\$68,500	\$78,250	\$88,050	\$97,800	\$105,650
100%	\$88,200	\$100,800	\$113,400	\$126,000	\$136,100
120%	\$105,850	\$120,950	\$136,100	\$151,200	\$163,300

- For-sale new construction units and Resales in the Mueller Affordable Homes Program will be primarily marketed to families at or below 80% of Austin's median family income (MFI). In addition, some homes (new and resale) marketed to 100% and 120% income-eligible buyers.
- For-rent units, the overall affordability benchmark is 60% of MFI.

MFI numbers change annually, but here is a snapshot of the 2024 MFI for Austin as of June 1, 2024



# How is the price affordable?

- The price is set to be affordable to the targeted income level and factors in the various fees related to the home at the time of sale.
- Affordable homes at Mueller are largely similar to market-rate homes built by the same builders.
- So, their actual market value is higher than the prices being paid by affordable home buyers.

**EXAMPLE:** Market Value: \$550,000  
Affordable Price: \$225,000  
Covenant Value: \$325,000







# What is a restrictive covenant?

The covenant is a 30 year agreement with the purpose of protecting long term affordability:

- Protects tax valuation
- Protects long-term affordability through specific use restrictions
- Resale is managed by the Foundation
- The restrictive covenant represents the difference between the affordable price and the market price of the home

# Mueller Foundation Covenant Use Restrictions

- Homeowners must occupy the Affordable Home as their primary residence.
- Appreciation on an affordable homes is set at a fixed 2% per year
- Homeowners may only rent or lease the home with approval by the Mueller Foundation.
- The Mueller Foundation has a Purchase Option to keep the home in the affordable program and resell it to another income-qualified buyer.
- Mueller Affordable Homeowners are limited in the home appreciation they can “cash out” because of the resale restrictions. Refinance requires the approval of the Foundation.
- Homeowners are responsible for maintenance of their property.
- The homes are in the Mueller Property Owners Association which includes a monthly fee based on home type.
- Other restrictions apply.



# Homeowner Responsibilities

- Homeowners are responsible for maintenance of their property.
- Homeowners are responsible for a monthly \$25 stewardship fee for the Mueller Foundation.
- Homeowners are responsible for monthly POA dues and, if your home is in the condo association, also monthly dues.
- Homeowners are responsible for mortgage, property taxes and insurance.

- Master POA assessment: \$48/month
  - maintain and insure all of Mueller's parks and common areas
- Pool POA assessment: \$12/month
  - maintain and lifeguard Mueller's two pools
- Row home POA assessment: \$270/month
  - maintain and insure the exteriors of all the row homes, including siding, roofs and landscaping
- Condominium POA assessment (ex. Parkside): \$116/month

Total Row Home Assessment for 2024: \$330/month

Total Yard Home Assessment for 2024: \$60/month

Total Condominium Assessment for 2024: \$164/month



# How does the Covenant end?

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- Upon sale; If Mueller Foundation repurchases your home when you decide to sell, the Foundation will identify an income eligible buyer, set the affordable sales price and establish a new covenant with the new buyer.
- Within the 30 years, the owner may identify in their will who will inherit their home in the event of the owner's death. The terms of the covenant will convey with the home and so, the heir must continue to occupy or sell the home.
- If the Affordable Owner lives in the home for more than 30 years, the Affordable Owner may end the restrictions by repaying the Foundation the original subsidy amount or they may extend for another 30 years.

# What is Fixed Rate Appreciation?



- Appreciation refers to the increase in the value of a property over time.
- Homes in the Mueller Affordable Homes Program are restricted to a 2% fixed-rate cap on appreciation. This also assumes the homeowner maintains their home.
- At the time of sale, you will recoup 2% fixed-rate of appreciation based on your original sales price of the home and the length of ownership.
- In addition to the 2% fixed rate appreciation, you will also receive your original down payment (if applicable) and your equity built through loan payments.





## What Happens When I Sell?

- You purchased a home on Jan 1, 2019 and sell on Jan 1, 2026.
- The sales price was \$200,000 and your down payment was \$10,000 making your mortgage \$190,000.
- 2% fixed rate appreciation accumulates annually equals \$4,000 for every year you live in your home  $(\$200,000 \times 0.02)^*$ .

\*If a homeowner sells within the first year of ownership, they must resell at the affordable purchase price without appreciation.



# Repayment

DOWN PAYMENT	\$10,000	Your original down payment.
EARNED EQUITY BY MORTGAGE PAY-OFF	\$17,700	The amount you paid on your mortgage while you lived in your home.
APPRECIATION	\$28,000	The 2% fixed-rate appreciation annually over seven years. (\$4,000 x 7 years).
ESTIMATE CLOSING COSTS	- \$7,800	Ex: Title, POA/HOA, Transfer Fee, Mueller Foundation Fee.
<b>TOTAL ESTIMATED PAID TO SELLER</b>	<b>\$47,900</b>	



# Road To Homeownership

BEGIN HERE

CONSIDER  
YOUR  
ELIGIBILITY



ASSESS YOUR  
FINANCIAL  
SITUATION



GET YOUR INCOME  
CERTIFICATION &  
ASSESS YOUR LENDING  
OPTIONS



MEET THE  
HOMEBUILDERS &  
STAY INFORMED  
ABOUT RESALES

SIGN  
PURCHASE  
CONTRACT



CLOSE ON  
YOUR HOME

CONGRATULATIONS  
YOU DID IT!



DO  
YOUR  
HOMEWORK

GET A PRE-  
QUALIFICATION  
LETTER

# Consider Your Eligibility

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Start by considering if you are eligible for the Mueller Affordable Homes Program. The eligibility requirements are based on policies from the City of Austin, the US Department of Housing and Urban Development and the Mueller Foundation.

- Income - must be under 80% Median Family Income (MFI)
- Assets - The asset limit is \$500k with a maximum of \$150k in liquid assets for households that do not include persons 59.5 or older. If a household does include a person(s) over the age of 59.5 years, the maximum asset limit remains the same but the mix may vary with respect to asset type.
- Work - required 25 hours minimum per week, unless retired or if applicant has children that are not yet school aged



# Assess Your Financial Situation

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Buying a home is a big deal. Take some time to assess your financial situation to determine if this is the right decision. A few things to consider:

- A conventional loan requires good credit history and often a minimum of a 640 credit score.
- Up to 100% financing available to those who qualify.
- Mortgage assistance programs are available to those who qualify
- The lender must review the loan application and financial documents to determine loan pre-qualifications.
- If getting mortgage qualified is proving challenging, BCL Texas or Austin Habitat for Humanity can partner in providing mortgage counseling, credit repair, and home buyer education.

# Do Your Homework

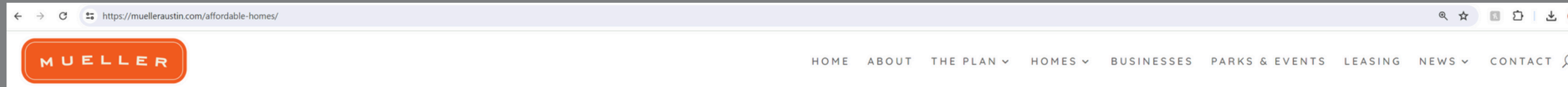
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Spend some time reading over the Affordable Homes Program FAQs in detail. There is a lot of information, we know, but if you put the time in now to understand what to expect, you will be much better off down the line.

- Consider finding a realtor. This isn't a requirement, but many buyers have found it valuable, particularly if they are a first-time home buyer.
- Bonus - your realtor can advocate for you and help answer questions!
- If you're interested, join the prospective buyer pool.



# Resources



LEARN MORE ABOUT

## Mueller's Affordable Homes Program

The next Mueller Affordable Homes virtual information session is on Thursday, July 25 at 12pm.

[REGISTER FOR ZOOM MEETING](#)

START HERE

## Mueller Homeownership Resources

First, review the [Road to Homeownership Guide](#) to determine eligibility and point you in the right direction for next steps. You can also review the [Mueller Resources Guide](#), a comprehensive list of all the groups that can help with becoming a homeowner in Mueller.

Then, get your questions answered and decide if homeownership is right for you. Review the [FAQs](#) to determine if you might qualify for the Program. Need to speak with someone? HomeBase Texas is the Mueller Affordable Homes Program administrator.

For more information and questions please contact HomeBase Texas.

[info@homebasetexas.org](mailto:info@homebasetexas.org)

512-865-6091



# Resources



## MUELLER AFFORDABLE HOMES PROGRAM

### RESOURCES

This information was last updated on June 30, 2023.

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Mueller Affordable Homes Program Administration	1
Credit Counseling & Homebuyer Education	2
Homebuilders Participating in the Mueller Affordable Homes Program	3
Established Lenders	4
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Mortgage & Down Payment Assistance Options	6
Multifamily Communities with Affordable Apartments in Mueller	7
Mueller Neighborhood Resources	9

#### MUELLER AFFORDABLE HOMES PROGRAM ADMINISTRATION

##### 1. HomeBase Texas

Manages Mueller's affordable homes program on behalf of the Mueller Foundation, including the re-sale program.

Website: <http://homebasetexas.org>

Email: [info@homebasetexas.org](mailto:info@homebasetexas.org)

Phone Number: 512-865-6091

Address: 500 W Ben White Blvd., Suite 100, Austin, TX 78704

This information is provided as a general resource and is not intended to fully describe or disclose all requirements or restrictions of Mueller's affordable homes program. Program rules are subject to change. Equal housing opportunity.

Resources – June 2023



## MUELLER AFFORDABLE HOMES PROGRAM

### FREQUENTLY ASKED QUESTIONS & ANSWERS

This information was last updated on June 30, 2023.

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Program rules are subject to change.

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# Next Steps

- You will automatically be added to our communication list after this session.
- You will receive an email inviting you to fill out a short Prospective Buyer questionnaire. You must submit the form to be added to the prospective buyer pool. This will put you in the hunt as a buyer of an affordable home at Mueller (Be sure to check your spam!).



**MUELLER**

## Next Steps for the Mueller Affordable Homes Program

Thank you for attending the January Mueller Affordable Homes Information Session. The Mueller Affordable Homes Program is beginning next steps for the upcoming new home phase in Mueller.

If you would just like to continue receiving email updates for the Mueller Affordable Homes Program, there is nothing you need to do. These periodic updates will include:

- New home announcements
- Resale home listings
- Mueller Affordable Homes Program updates
- Mueller Foundation Updates

If you are also ready to move forward with the homebuying process (for either new homes or resale homes), please fill out our Prospective Buyer Form, if you have not already, using the button below. This form will give [HomeBase Texas](#), our program administrators, more information about your household. As homes become available, HomeBase Texas will use this form to reach out to potential homebuyers directly with next steps.

[Prospective Buyer Form](#)

As always, if you would like to learn more, you can visit us online for [additional information](#) including:

- [Program Resource List](#)
- [Program Frequently Asked Questions](#)
- [Steps to Homeownership](#)
- [January's Info Session Recording](#) Passcode: ^nXBmLH7

If you have questions, please reach out to HomeBase Texas at [info@homebasetexas.org](mailto:info@homebasetexas.org).

Thank you,  
The Mueller Team

# Keep in touch



@MuellerAustin



@MuellerATX

## Program Questions

**HomeBase Texas**

homebasetexas.org

info@homebasetexas.org

512-865-6091

## Homebuyer Education

**Habitat for Humanity**

austinhabitat.org

clientservices@ahfh.org

512-472-8788

**BCL of Texas**

bcloftexas.org

housing@bcloftexas.org

512-912-9884



Thank you!

Questions?