



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 59
AGENDA DATE: Thu 12/02/2004
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SUBJECT: Approve a resolution adopting the City's Affordable Housing policy for the Mueller Property (formerly the Robert Mueller Municipal Airport).

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Law
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Marty Terry

FOR MORE INFORMATION CONTACT: Sue Edwards, Director / 974-7820; Alison Gallaway, Assistant City Attorney / 974-2671

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

The process of redeveloping the former Robert Mueller Municipal Airport (now known as Mueller) has taken many years. It began with building consensus of what the project should look like to the neighbors most impacted by both the previous use as an airport and the to be developed use as a dense, urban, mixed-use neighborhood.

The next step was finding the right developer that would be committed to the City's goals. After a long and involved search process, Catellus Development Corporation emerged as the entity that the City was authorized to negotiate with. During the process of negotiations, Catellus Development Corporation created Catellus Austin, LLC to actualize the development.

After two years of negotiating, we are pleased to announce that a Master Development Agreement ("MDA") has been agreed to. The MDA has many attachments, one of which sets out the City's Affordable Housing policy for Mueller. We recommend that the resolution adopting the Affordable Housing policy for Mueller be approved.

RESOLUTION NO. 04

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

WHEREAS, the City of Austin (“City”) and Catellus Austin, LLC (“Catellus”) have entered into a Master Development Agreement (“MDA”) for Catellus to redevelop the former Robert Mueller Municipal Airport site, now known as Mueller, which includes an affordable housing requirement; and

WHEREAS, over the past eight years the City and the community have anticipated a significant affordable housing program for the Mueller redevelopment, and Catellus shares this vision; and

WHEREAS, the MDA commits Catellus to achieving an overall affordable housing goal of 25% of residential units (at 80% median family income for owner-occupied units and at approximately 60% median family income for rental units) generally evenly dispersed throughout the development in accordance with the MDA and indistinguishable from adjacent “market rate” units, while still balancing all of the other goals of both the City and Catellus for Mueller; and

WHEREAS, the City and Catellus desire to continue a dialogue to examine what current additional tools, and future additional tools, exist to develop more affordable housing at Mueller, both in overall numbers of affordable units and in the level of affordability achieved; and

WHEREAS, Catellus is committed to using diligent, good faith efforts to work with Austin Housing Finance Corporation (“AHFC”) to achieve greater

levels of affordability in excess of the above requirements; and

WHEREAS, Catellus will use commercially reasonable efforts to work with AHFC to identify and explore greater third party participation opportunities in the affordable housing program at Mueller, including exploring financial institution affordable housing incentives and using affordable housing experience as a builder selection criterion; and

WHEREAS, the following community groups may be included to provide the widest possible affordable housing program at Mueller: RMMA Plan Implementation Advisory Commission, Community Development Commission, including Housing Subcommittee, and other community housing organizations, Real Estate Council of Austin and other builder/real estate organizations; **NOW; THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

SECTION 1. That the following strategies for reporting Catellus' performance on its commitment to affordable housing are approved as part of the City's Mueller affordable housing program:

- A. Catellus will semi-annually report its progress on the Mueller affordable housing program to the City's Community Development Commission, which will be incorporated into the City's Consolidated Planning Process.
- B. The Mueller affordable housing program will become part of the

City's Annual Consolidated Plan, thus providing formal accountability.

- C. The following community groups may be included in the discussion of the Mueller affordable housing program:
 - i. RMMA Plan Implementation Advisory Commission.
 - ii. Community Development Commission, including Housing Subcommittee.
 - iii. Other community housing organizations.
 - iv. Real Estate Council of Austin.
 - v. Other builder/real estate organizations.

SECTION 2. That Catellus' commitment to use diligent, good faith efforts to work with AHFC to increase both the levels and degree of affordable housing at Mueller, including reviewing the following City programs, is approved as part of the City's Mueller affordable housing program:

- A. Tax credits for single or multi-family development.
- B. Special needs housing grants.
- C. Cooperative housing models for homeownership that serve families between 50-65% median family income and rental housing that serves families at or below 50% median family income.
- D. Down payment assistance.

- E. Mortgage Credit Certificates.
- F. Rental Housing Development Assistance.
- G. Bond Financing.
- H. Housing Trust Fund, S.M.A.R.T. Housing™ Capital Improvement Funds, or other federal resources or funding included in the City of Austin Consolidated Plan.

SECTION 3. That Catellus' commitment to use diligent, good faith efforts to work with AHFC to increase both the levels and degree of affordable housing at Mueller, including reviewing the following tools and strategies, is approved as part of the City's Mueller affordable housing program:

- A. Models for home-ownership that serves families, both initial and subsequent occupants, at 50-60% median family income.
- B. Models for rental units, which make and retain at least some units available, at or below 50% median family income.
- C. Programs targeted at special needs populations, especially elderly and severely developmentally disabled.
- D. Creative models for equity generation systems to qualify families/individuals in the affordable units.
- E. Investigate establishing appropriate legal entities, such as land trust models, that could hold and manage affordable housing units and thereby maintain affordability.

SECTION 4. That Catellus' commitment to use commercially reasonable efforts to work with AHFC to identify and explore greater third party participation opportunities in the affordable housing program at Mueller, including exploring affordable housing incentives from financial institutions and using affordable housing experience as a builder selection criterion, is approved as part of the City's Mueller affordable housing program.

ADOPTED: _____, 2004

ATTEST: _____
Shirley A. Brown
City Clerk