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Media Contact: Brian Dolezal
TateAustinHahn for Catellus
(512) 344-2035
dolezal@tateaustinhahn.com

**NEWLY FORMED NON-PROFIT MUELLER FOUNDATION
TO SUPPORT COMMUNITY'S VISION LONG-TERM**

AUSTIN, Texas – May 30, 2008 – [Catellus Development Group](#) has established the Mueller Foundation to facilitate the community's vision well beyond its development, which is estimated to be 10 to 15 years. The Foundation will support efforts related to schools and education, open space and parks, job training programs, sustainable development and other charitable programs consistent with the community values that support Mueller's award-winning master plan. Chief among its priorities is to support the Mueller Affordable Homes Program.

The Mueller Foundation will be a 501(c)(3) Texas non-profit organization with an independent board of directors that currently includes Focus Strategies Principal Gary Valdez, Mueller Neighborhood Coalition leader Jim Walker and Matt Whelan, senior vice president of Catellus, the master developer of Mueller. Additional board members will join the Foundation in the near future.

"I grew up near Mueller and I've watched it take shape with great interest for more than 20 years," said Valdez. "The neighbors around Mueller and the City recognized early on the incredible potential that Mueller had for the land itself and the surrounding neighborhoods. Great things are now taking shape in and around Mueller, and this Foundation exemplifies the kind of creative energy Catellus brings to the table that provides the stewardship to carry the vision forward well after the construction crews have departed."

"Catellus's commitment to ensure at least 25 percent of all the homes are available to affordable qualifying families is, on its own, significant," said Francie Ferguson, a recognized national figure on residential affordability and consultant to Mueller. "It's truly remarkable that their commitment to the vision has resulted in Catellus taking the extraordinary steps of creating a foundation and pioneering new shared-equity financial tools to facilitate more longer-term affordability at Mueller."



Catellus has generated three primary funding sources: (1) fees applied to each builder, (2) proceeds from Mueller’s shared-equity feature for its Affordable Homes Program and (3) a community assessment fee applied perpetually to each property commercial and residential property at re-sale. Before Mueller is complete, the Mueller Foundation is projected to generate upwards of \$35 million over the next 10 years, which will be used to ensure Mueller’s ambitious Affordable Homes Program remains vital for years to come.

“We’re committed to ensuring at least 25 percent of the homes at Mueller are available to families who earn 80 percent or less of Austin’s median family income (MFI),” said Whelan. “It’s an ambitious yet attainable goal. But beyond just making these homes available we shared the community’s desire for affordable home ownership at Mueller to last longer and go farther than the initial sale. That’s what originally inspired us to find a creative solution; that’s how the Mueller Foundation was born.”

Catellus is one of the first private developers in the country to implement a “shared equity” program in which affordable-qualifying families essentially enter into a partnership with the Mueller Foundation, which provides an interest-free second lien that offsets the actual market value of a Mueller affordable home. The Mueller Foundation is, in effect, making up the difference between the sales price and the market value of the home.

“This shared appreciation system allows affordable buyers to build equity and realize the value of their investment in real estate, while also allowing the Mueller Foundation to reinvest its funds in the Affordable Homes Program and sustain affordability at Mueller,” said Kelly Weiss, executive director of PeopleTrust, the local land trust that services the shared appreciation mortgages for the Mueller Foundation.

Proceeds generated from the shared equity program are used by the Mueller Foundation to support long-term affordability and other community goals. Catellus has selected the Austin Community Foundation to manage the funds.



“By becoming a fund holder at the Austin Community Foundation, our dollar stretches much farther to do much more,” said Whelan. “Mueller is a community asset and the Austin Community Foundation is a catalyst for giving and building community assets. The expertise at ACF helps us ensure good stewardship and help us leverage these benefits further.”

The Mueller Affordable Homes Program, one of the most ambitious in the country, will include a minimum of 25 percent of Mueller’s for-sale and for-rent residences, or approximately 1,150 affordable homes. For-sale homes will be made available at 80 percent of Austin MFI or less; for-rent homes will be available at 60 percent of Austin MFI or less.

“Catellus heard loud and clear what the community envisioned for housing and social investment at Mueller beyond just meeting the affordability requirements in their development agreement,” said Walker. “Catellus didn’t have to take these extra steps to keep affordability going at Mueller, but it’s this kind of deliberate planning and collaboration with engaged citizens that yields benefits we can all be proud of, and which extend beyond Mueller’s official borders.”

About Mueller (www.MuellerAustin.com): Mueller will be developed over 10 to 15 years and is expected to include more than 140 acres of open space, a pattern of landscaped streets designed to support pedestrians and bicycles, at least 4,600 single-family and multi-family living units, a mixed-use town center, 3.8 million square feet of office space, 650,000 square feet of retail space and a central transit corridor that provides for a possible extension of mass transit service. The 32-acre campus of the Dell Children’s Medical Center of Central Texas opened at Mueller in 2006 and the project’s first residents began moving in at the end of 2007.

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