



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/31/2021

ALL

Item Creation Date:

FIN - PIB 2021D & 2021E (TWDB FIF Program Loans)

Agenda Item#: 17.

Summary:

ORDINANCE authorizing City of Houston, Texas Public Improvement Bonds, Series 2021D and City of Houston, Texas Public Improvement Bonds, Series 2021E; authorizing the payment and security thereof; approving the principal amount, interest rates, prices, terms and sale thereof; approving certain other procedures, provisions and agreements related thereto, including authorizing the execution and delivery of a paying agent/registrar agreement, special escrow deposit agreement, and other agreements; approving the preparation, distribution and use of a private placement memorandum; making certain findings and other declarations necessary and incidental to the issuance of such bonds

Background:

RECOMMENDATION:

Approve an Ordinance authorizing the issuance of City of Houston, Texas, Public Improvement Bonds, Series 2021D, and City of Houston Texas, Public Improvement Bonds, Series 2021E, authorizing the payment and security thereof; approving the principal amount, interest rates, prices, terms and sale thereof; approving certain other procedures, provisions and agreements related thereof

SPECIFIC EXPLANATION:

Authorized under the 86th Texas Legislature’s Proposition 8 on November 5, 2019, the Texas Development Board (“TWDB”) established the Flood Infrastructure Fund (“FIF”) program to provide financial assistance in the form of zero-percent interest rate loans and grants for flood control, flood mitigation and drainage projects. Some eligible projects include planning and design activities, work to obtain necessary regulatory approvals and construction and/or implementation of flood projects.

On November 4, 2020, City Council approved a resolution authorizing the City to make a multi-year loan application with TWDB under the FIF program for the Kingwood Taylor Gully project. The project will include channel improvements along Taylor Gully that will upgrade the conveyance capacity of the channel to a 100-year level of service and reduce the risk of repetitive flooding to residential, commercial, and industrial structures. On May 6, 2021, TWDB approved the loan application in an aggregate amount not to exceed \$10.1 million, at zero-percent interest.

On November 18, 2020, City Council approved a resolution authorizing the City to make a multi-year loan application with TWDB under the FIF program to improve the stormwater and drainage system in the Wynnewood Acres area. On May 6, 2021, TWDB approved the loan application in an aggregate amount not to exceed \$8.583 million, at zero-percent interest.

The Finance working group recommends the issuance of City of Houston, Texas, Public Improvement Bonds, Series 2021D and Series 2021E, (collectively “the Bonds”). The Bonds will be privately placed with TWDB, which eliminates the need for underwriters. Closing is expected to occur in October 2021.

This transaction was presented to the Budget and Fiscal Affairs Committee on March 30th, 2021.

DocuSigned by:

Tantri Emo

Tantri Emo, Chief Business Officer/Director of Finance

DocuSigned by:

Chris Brown

Chris Brown, Houston City Controller

Prior Council Action:

Resolution No. 2020-0042;

Resolution No. 2020-0043

Amount of Funding:

N/A

Contact Information:

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ATTACHMENTS:

Description

Caption

Type

Other