



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/9/2021

Item Creation Date:

FIN - GO Series K-2

Agenda Item#: 11.

Summary:

ORDINANCE SUPPLEMENTING ORDINANCE NO. 2019-89 relating to the City of Houston, Texas, Public Improvement Bonds; providing for an increase in the aggregate principal amount as described and provided herein; authorizing the preparation and distribution of an Official Statement and Matters Incident thereto; authorizing the execution and delivery of a forward delivery Bond purchase agreement and other related documents

Background:

RECOMMENDATION:

Approve an Ordinance supplementing ordinance no. 2019-89 relating to the City of Houston, Texas, Public Improvement Bonds, Series K-2; providing for an increase in the aggregate principal amount not to exceed \$200 million; authorizing the preparation and distribution of an official statement and matters incident thereto; authorizing the execution and delivery of a forward delivery bond purchase agreement and other related documents.

SPECIFIC EXPLANATION:

The existing Series K-2 forward bond purchase agreement is currently \$100 million in size and is utilized to support the dedicated pay-as-you-go fund to help maintain and improve the City's drainage and street infrastructure. Because of its low cost for unissued amounts, it has been a cost-effective method of providing appropriation capacity and back-up interim financing for the Build Houston Forward capital improvement program.

The Finance Working Group (FWG) recommends that the amount of the existing forward bond purchase agreement be increased in size from \$100 million to \$200 million to better accommodate additional appropriations needs. Additionally, it is recommended that the term of the agreement be extended from 2026 to 2030.

This transaction was presented to the Budget and Fiscal Affairs Committee on November 2, 2021.

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Tantri Emo, Chief Business Officer/Director of Finance

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Chris B. Brown, Houston City Controller

Prior Council Action:

2015-76, 2019-0089

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