



# City of Austin

## Recommendation for Action

**File #: 25-1346, Agenda Item #: 32.**

7/24/2025

### **Posting Language**

Approve an ordinance authorizing the issuance and sale of taxable City of Austin, Texas Public Improvement Bonds, Taxable Series 2025, in an amount not to exceed \$85,000,000 to be used for affordable housing in accordance with the parameters set out in the ordinance, authorizing related documents, and approving the payment of the costs of issuance, and all related fees. Funding: The Fiscal Year 2026 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the 2025-26 Proposed Operating Budget of the General Obligation Debt Service Fund.

### **Lead Department**

Financial Services Department

### **Fiscal Note**

The Fiscal Year 2026 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the 2025-26 Proposed Operating Budget of the General Obligation Debt Service Fund.

### **Prior Council Action:**

Reimbursement Resolutions approved by City Council:

Resolution 20210902-067

Resolution 20210902-068

Resolution 20230420-008

### **For More Information:**

Belinda Weaver, Treasurer, 512-974-7885.

### **Additional Backup Information:**

Approval of this ordinance will authorize the issuance of up to \$85,000,000 in City of Austin, Texas Public Improvement Bonds, Taxable Series 2025 to provide funding for Affordable Housing in accordance with the following voter approved propositions in 2018 and 2022 and pursuant to reimbursement resolutions that were previously approved by Council in 2021 and 2020.

- 2018 Prop A - \$10,000,000
- 2022 Prop A - \$75,000,000

Reimbursement resolutions declare an issuer's official intent to reimburse a project's expenditure with the proceeds of obligations to be issued after the expenditure may have occurred. This action is required by IRS and U.S. Treasury rules and State law. The City generally submits reimbursement resolutions for Council consideration as a part of the annual budget adoption in August/September, the same time as the new capital appropriations are adopted, or at the time of a capital budget amendment for a particular project.

The General Obligation Debt Service cost for the bond issuance of is estimated as follows:

---

	Total Over 20 Years:	Avera ge Per Year
Principal	\$85,000,000	\$4,250,000
Interest	<u>51,410,750</u>	<u>2,570,538</u>
Total Debt Service	\$136,410,750	\$6,820,538

In order to provide the City with the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager, Chief Financial Officer, or Director of Financial Services (each, a "Pricing Officer") to complete the sale of the bond transaction in accordance with the parameters in the ordinance. Additionally, the authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on January 24, 2026.

This transaction will be sold through the following underwriting team:

Senior Manager: Wells Fargo

Co-Senior Manager: Raymond James & Assoc.

Co-Managers: Robert W. Baird & Co, Ramirez & Co, and Stifel Nicolaus & Co.

For this transaction, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, and Orrick, Herrington & Sutcliffe LLP will serve as disclosure counsel. PFM Financial Advisors, LLC., is the City's financial advisor.