RESOLUTION NO.

RESOLUTION AUTHORIZING DEFEASANCE OF PUBLIC IMPROVEMENT AND REFUNDING BONDS.

WHEREAS, the City of Austin, Texas (City) has the following outstanding obligations:

City of Austin, Texas Public Improvement and Refunding Bonds, Series 2020 (Series 2020 Bonds); and

WHEREAS, the Series 2020 Bonds, issued in an original principal amount of \$86,440,000, currently outstanding in the aggregate principal amount of \$76,500,00, maturing on September 1 in the years 2022 through 2040 and bearing interest at the rate of 5.00% per annum, are eligible to be defeased, and all or any portion of the outstanding Series 2020 Bonds that are selected to be defeased by the City Manager are called the "Defeased Obligations"; and

WHEREAS, the proceedings adopted by council authorizing the issuance of the Bonds provide that the City may defease all or any of the Defeased Obligations prior to their scheduled maturity; and

WHEREAS, the Series 2020 Bonds have an optional redemption date of September 1, 2030; and

WHEREAS, City staff recommends to council that the Defeased Obligations be defeased in the manner described below to remove the debt from its books and to permit a change of use and conveyance of property originally purchased with a portion of the proceeds of the Defeased Obligations; and

WHEREAS, the property conveyance will be to the Austin Housing Finance Corporation (AHFC) and will support development of affordable housing; and

WHEREAS, the meeting at which this Resolution is adopted was open to the public, and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code; NOW, THEREFORE,

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

 Section 1. Council hereby authorizes the use of surplus funds from the AHFC Housing Assistance Fund for the purpose of defeasing no more than a principal amount of \$485,000 of the Defeased Obligations. The Defeased Obligations will be escrowed to maturity or escrowed to the first optional redemption date through the deposit of cash and defeasance securities in an escrow fund to be established by the City. In connection with the defeasance of the Defeased Obligations, no bonds shall be issued.

Section 2. The City Manager shall select the Defeased Obligations to be defeased and their date of defeasance solely from available funds to be transferred from the AHFC Housing Assistance Fund in an amount, together with investment earnings on those funds, equal to the maturity amount of the Defeased Obligations, plus accrued interest on the Defeased Obligations to their maturity date or date of prior redemption.

Section 3. The City Manager shall execute and deliver any documents necessary to effect the defeasance of the Defeased Obligations, specifically, any agreement with the paying agent for the Defeased Obligations to hold the amounts deposited and invested to pay the Defeased Obligations at their maturity date.

Section 4. This Resolution shall become effective immediately upon its passage, in accordance with Section 1201.028, Texas Government Code.

ADOPTED:	, 2022	ATTEST:		
			Myrna Rios	
			City Clerk	