



## Recommendation for Action

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**File #:** 23-1622, **Agenda Item #:** 8.

4/20/2023

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### **Posting Language**

Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of public improvement bonds to be issued for affordable housing expenditures in the amount of \$350,000,000. Related to Item #18.

### **Lead Department**

Financial Services Department.

### **Fiscal Note**

Funding is available in future issuances of public improvement bonds. A fiscal note is attached.

### **For More Information:**

Ed Van Eenoo, Chief Financial Officer (512) 974-2638; Kerri Lang, Budget Officer (512) 974-2283.

### **Additional Backup Information:**

For the City to spend money today but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by Texas State and Federal Law. The resolution must contain certain information to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. Failure to adopt a qualified declaration of official intent in a reimbursement resolution will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations.

Generally, reimbursement bonds must be issued no later than 18 months after the later of, the date the expenditure was made, or the date that the project, with respect to which the expenditure was made, is placed in service.

This action expresses the City Council's intent to authorize the reimbursement for costs associated with Capital Budget items for General Obligation debt as described below:

Public Improvement Bonds - Affordable Housing, \$350,000,000.