

NOTICE OF TAXABLE TARGET BONDS PURCHASE PRICES

**RELATING TO THE
INVITATION TO TENDER BONDS DATED APRIL 5, 2024
made by
CITY OF HOUSTON, TEXAS
to the Bondowners described herein of
all or any portion of the maturities listed herein of**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Series 2015D**

**Combined Utility System
First Lien Revenue and
Refunding Bonds, Series 2016B**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Series 2017B**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Series 2018D**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Taxable Series 2018E**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Taxable Series 2019C**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Taxable Series 2020D**

**Combined Utility System
First Lien Revenue Refunding
Bonds, Taxable Series 2021B**

The purpose of this Notice of Taxable Target Bonds Purchase Prices is to set forth the Offer Purchase Prices for the Taxable Target Bonds. All terms used herein and not otherwise defined are used as defined in the Invitation (hereinafter defined).

Pursuant to the Invitation to Tender Bonds dated April 5, 2024, as amended and supplemented by the Pricing Notice dated April 12, 2024 and the Notice of Preliminary Acceptance dated April 22, 2024 (as it may be further amended or supplemented, the “**Invitation**”), the City of Houston, Texas (the “**City**”), *inter alia*, invited Bondowners to tender Taxable Target Bonds for cash at the applicable Offer Purchase Prices based on the Fixed Spreads set forth in the Pricing Notice to be added to the yields on the relevant Benchmark Treasury Security also as set forth in the Pricing Notice, plus Accrued Interest on the Taxable Target Bonds tendered and accepted for purchase to but not including the Settlement Date. See Section 2, “Information to Bondowners - Tender Consideration - Determination of Offer Purchase Prices for the for Taxable Target Bonds” in the Invitation.

The Offer Purchase Prices, expressed as a dollar amount per \$100 principal amount, for the Taxable Target Bonds of each CUSIP set forth on Schedule 1 hereto were calculated by the City based on the Purchase Yield for each CUSIP of the Taxable Target Bonds determined by adding (a) the relevant Fixed Spread to (b) the Treasury Security Yield on the relevant Benchmark Treasury Security, as set forth in the Invitation. The Offer Purchase Prices were calculated using the market standard bond pricing formula as of the Settlement Date using the relevant Purchase Yield, the coupon of the relevant Taxable Target Bond and the maturity date for each Taxable Target Bond, except for the Taxable Target Term Bonds, which were priced to their respective average life dates as shown in Schedule 1.

The Invitation is available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at www.globic.com/houston.

Any questions are to be directed to the Information Agent and Tender Agent at (212) 227-9622.

April 23, 2024

SCHEDULE 1

Taxable Target Bond Offer Purchase Price Calculations

The tables below provide a listing of the respective Offer Purchase Prices of the Taxable Target Bonds of each CUSIP.

CITY OF HOUSTON, TEXAS

Combined Utility System First Lien Revenue Refunding Bonds, Federally Taxable Series 2018E

CUSIP (Base No. 44244C) ⁽¹⁾	Maturity Date (November 15)	Average Life Date ⁽²⁾	Interest Rate	Outstanding Principal Amount (\$)	Par Call Date	Benchmark Treasury Security ⁽³⁾	Fixed Spreads	Treasury Security Yield	Purchase Yield	Offer Purchase Price ⁽⁴⁾
TJ6	2025	N/A	3.455%	2,265,000	N/A	2-Year	-30.0 bps	N/A	--	--
TK3	2026	N/A	3.543%	2,810,000	N/A	2-Year	-50.0 bps	N/A	--	--
TL1	2027	N/A	3.643%	4,220,000	N/A	3-Year	-43.0 bps	N/A	--	--
TM9	2028	N/A	3.723%	34,030,000	N/A	5-Year	-35.0 bps	N/A	--	--
TN7	2029	N/A	3.823%	43,630,000	11/15/2028	5-Year	-30.0 bps	4.623%	4.323%	\$97.574
TP2	2030	N/A	3.923%	44,790,000	11/15/2028	7-Year	-25.0 bps	4.616%	4.366%	\$97.515
TQ0	2031	N/A	3.973%	46,120,000	11/15/2028	7-Year	-15.0 bps	4.616%	4.466%	\$96.886
TR8	2032	N/A	4.073%	1,240,000	11/15/2028	10-Year	-10.0 bps	N/A	--	--
TS6	2033	N/A	4.123%	1,340,000	11/15/2028	10-Year	-1.0 bps	N/A	--	--
TT4	2038	12/14/2036	4.172%	14,550,000	11/15/2028	10-Year	+41.0 bps	4.592%	5.002%	\$92.314

Combined Utility System First Lien Revenue Refunding Bonds, Federally Taxable Series 2019C

CUSIP (Base No. 44244C) ⁽¹⁾	Maturity Date (November 15)	Average Life Date ⁽²⁾	Interest Rate	Outstanding Principal Amount (\$)	Par Call Date	Benchmark Treasury Security ⁽³⁾	Fixed Spreads	Treasury Security Yield	Purchase Yield	Offer Purchase Price ⁽⁴⁾
XP7	2025	N/A	1.949%	5,175,000	N/A	2-Year	-30.0 bps	N/A	--	--
XQ5	2026	N/A	2.049%	5,285,000	N/A	2-Year	-50.0 bps	N/A	--	--
XR3	2027	N/A	2.155%	5,405,000	N/A	3-Year	-43.0 bps	N/A	--	--
XS1	2028	N/A	2.205%	27,065,000	N/A	5-Year	-35.0 bps	N/A	--	--
XT9	2029	N/A	2.255%	46,435,000	N/A	5-Year	-30.0 bps	4.623%	4.323%	\$89.968
XU6	2030	N/A	2.355%	53,615,000	11/15/2029	7-Year	-25.0 bps	4.616%	4.366%	\$88.721
XV4	2031	N/A	2.455%	49,550,000	11/15/2029	7-Year	-15.0 bps	4.616%	4.466%	\$87.298
XW2	2032	N/A	2.505%	49,425,000	11/15/2029	10-Year	-10.0 bps	4.592%	4.492%	\$86.084
XX0	2033	N/A	2.555%	51,250,000	11/15/2029	10-Year	-5.0 bps	N/A	--	--
XY8	2034	N/A	2.605%	21,285,000	11/15/2029	10-Year	+4.0 bps	4.592%	4.632%	\$83.292
XZ5	2035	N/A	2.655%	21,940,000	11/15/2029	10-Year	+14.0 bps	N/A	--	--
YA9	2042	3/27/2039	2.984%	151,765,000	11/15/2029	10-Year	+45.0 bps	4.592%	5.042%	\$78.645

(1) CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the City is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

(2) Average life date is shown for the Taxable Target Term Bonds only. The Taxable Target Term Bonds are priced to their respective average life dates.

(3) Each Benchmark Treasury Security is the most recently auctioned “on-the-run” United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Prices for the Target Bonds were set.

(4) **SEE Section 2, “Information to Bondowners – Tender Consideration - Determination of Offer Purchase Prices for Taxable Target Bonds” in the Invitation.**

**Combined Utility System First Lien Revenue Refunding Bonds,
Federally Taxable Series 2020D**

CUSIP (Base No. 44244C) ⁽¹⁾	Maturity Date (November 15)	Average Life Date ⁽²⁾	Interest Rate	Outstanding Principal Amount (\$)	Par Call Date	Benchmark Treasury Security ⁽³⁾	Fixed Spreads	Treasury Security Yield	Purchase Yield	Offer Purchase Price ⁽⁴⁾
B71	2025	N/A	0.976%	8,325,000	N/A	2-Year	-30.0 bps	N/A	--	--
B89	2026	N/A	1.221%	3,935,000	N/A	2-Year	-50.0 bps	N/A	--	--
B97	2027	N/A	1.371%	3,995,000	N/A	3-Year	-43.0 bps	N/A	--	--
C21	2028	N/A	1.522%	4,065,000	N/A	5-Year	-35.0 bps	N/A	--	--
C39	2029	N/A	1.572%	9,130,000	N/A	5-Year	-30.0 bps	4.623%	4.323%	\$86.655
C47	2030	N/A	1.622%	9,285,000	N/A	7-Year	-25.0 bps	4.616%	4.366%	\$84.610
C54	2031	N/A	1.722%	9,445,000	11/15/2030	7-Year	-20.0 bps	4.616%	4.416%	\$82.952
C62	2032	N/A	1.822%	9,620,000	11/15/2030	10-Year	-10.0 bps	4.592%	4.492%	\$81.301
C70	2033	N/A	1.872%	15,550,000	11/15/2030	10-Year	-5.0 bps	4.592%	4.542%	\$79.578
C88	2034	N/A	1.972%	15,855,000	11/15/2030	10-Year	+2.0 bps	4.592%	4.612%	\$78.217
C96	2035	N/A	2.022%	16,165,000	11/15/2030	10-Year	+14.0 bps	4.592%	4.732%	\$76.171
D20	2040	9/7/2039	2.542%	32,045,000	11/15/2030	10-Year	+44.0 bps	4.592%	5.032%	\$73.630
D38	2043	11/21/2042	2.642%	25,805,000	11/15/2030	30-Year	+39.0 bps	4.704%	5.094%	\$70.826

**Combined Utility System First Lien Revenue Refunding Bonds,
Federally Taxable Series 2021B**

CUSIP (Base No. 44244C) ⁽¹⁾	Maturity Date (November 15)	Average Life Date ⁽²⁾	Interest Rate	Outstanding Principal Amount (\$)	Par Call Date	Benchmark Treasury Security ⁽³⁾	Fixed Spreads	Treasury Security Yield	Purchase Yield	Offer Purchase Price ⁽⁴⁾
M20	2025	N/A	0.811%	5,215,000	N/A	2-Year	-30.0 bps	N/A	--	--
M38	2026	N/A	1.011%	9,265,000	N/A	2-Year	-50.0 bps	N/A	--	--
M46	2027	N/A	1.366%	9,375,000	N/A	3-Year	-43.0 bps	N/A	--	--
M53	2028	N/A	1.516%	9,515,000	N/A	5-Year	-35.0 bps	N/A	--	--
M61	2029	N/A	1.709%	5,205,000	N/A	5-Year	-30.0 bps	4.623%	4.323%	\$87.319
M79	2030	N/A	1.909%	730,000	N/A	7-Year	-25.0 bps	N/A	--	--
M87	2031	N/A	1.929%	5,545,000	N/A	7-Year	-20.0 bps	4.616%	4.416%	\$84.262
M95	2032	N/A	2.009%	5,650,000	11/15/2031	10-Year	-10.0 bps	4.592%	4.492%	\$82.611
N29	2033	N/A	2.209%	630,000	11/15/2031	10-Year	-5.0 bps	N/A	--	--
N37	2034	N/A	2.309%	645,000	11/15/2031	10-Year	+3.0 bps	4.592%	4.622%	\$80.925
N45	2035	N/A	2.409%	660,000	11/15/2031	10-Year	+15.0 bps	4.592%	4.742%	\$79.497
N52	2036	N/A	2.459%	12,840,000	11/15/2031	10-Year	+22.0 bps	4.592%	4.812%	\$78.085
N60	2037	N/A	2.509%	13,160,000	11/15/2031	10-Year	+29.0 bps	4.592%	4.882%	\$76.735
N78	2038	N/A	2.599%	7,205,000	11/15/2031	10-Year	+36.0 bps	4.592%	4.952%	\$75.858

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(2) Average life date is shown for the Taxable Target Term Bonds only. The Taxable Target Term Bonds are priced to their respective average life dates.

(3) Except for the 30-Year Benchmark Treasury Security, which is the “old long bond” (maturity date November 15, 2053, 4.75%, CUSIP 912810TV0), each Benchmark Treasury Security is the most recently auctioned “on-the-run” United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Prices for the Target Bonds were set.

(4) **SEE Section 2, “Information to Bondowners – Tender Consideration - Determination of Offer Purchase Prices for Taxable Target Bonds” in the Invitation.**