



ReBuild Houston

FUNDING | PERFORMANCE | ROADMAP

Presented August 13, 2018



ReBuild was approved November 2010 to create a dedicated funding source to improve street & drainage infrastructure.

1 |  **PAY-AS-YOU-GO FUND**

2 |  **PRIORITIZED BY NEEDS DATA**

3 |  **REPAIR, REHABILITATE & RECONSTRUCT**



DRAINAGE INFRASTRUCTURE INCLUDES

bayous

curbs

pumps

bridges

detention ponds

rivers

catch basins

ditches

sloughs

channels

draws

streets

conduits

flumes

treatment works

creeks

inlets

culverts

pipes

Sec. 47-802 of the Code of Ordinances: *Drainage means streets, curbs, bayous, bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, ditches, draws, flumes, inlets, pipes, pumps, rivers, sloughs, treatment works, and other means and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses or into which the surface water flows; drainage shall also mean the water so transported.*



ReBuild Houston

HISTORY



TIMELINE

PRE-ReBuild



Petition for Renew Houston



Pay-as-You-Go Drainage & Streets



Memorial Day Flood



Tax Day Flood



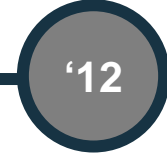
HARRIS COUNTY BOND VOTE August 25



Proposition 1 Approved by Voters



Oversight Committee Established



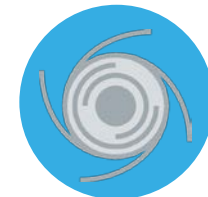
Advisory Committee



Halloween Flood



Hurricane Harvey



ReBuild Houston November 6





EMPLOYEES

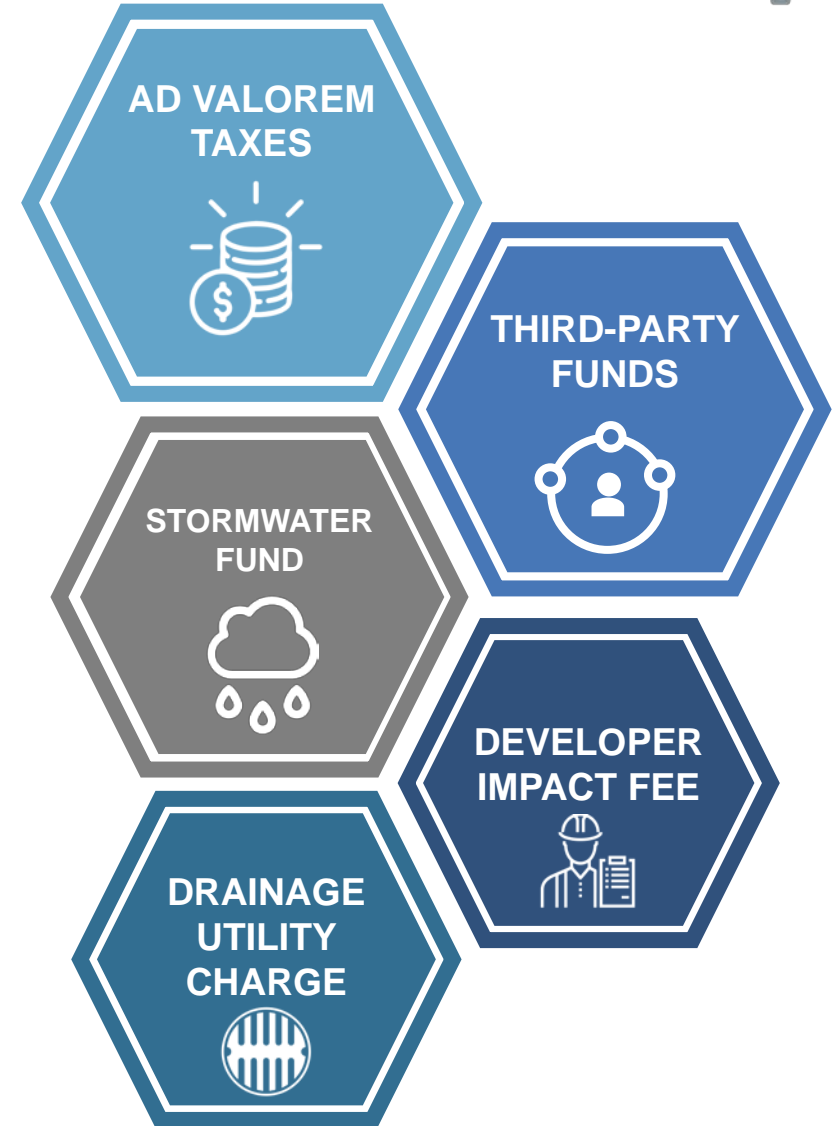
Pre-ReBuild | FY 2010

FTEs

Ad Valorem	Cost Recovery*
Third Party Funds	488.0 + Cost Recovery*
Stormwater Fund	379.9
TOTAL	867.9 + Cost Recovery*

ReBuild | FY 2017

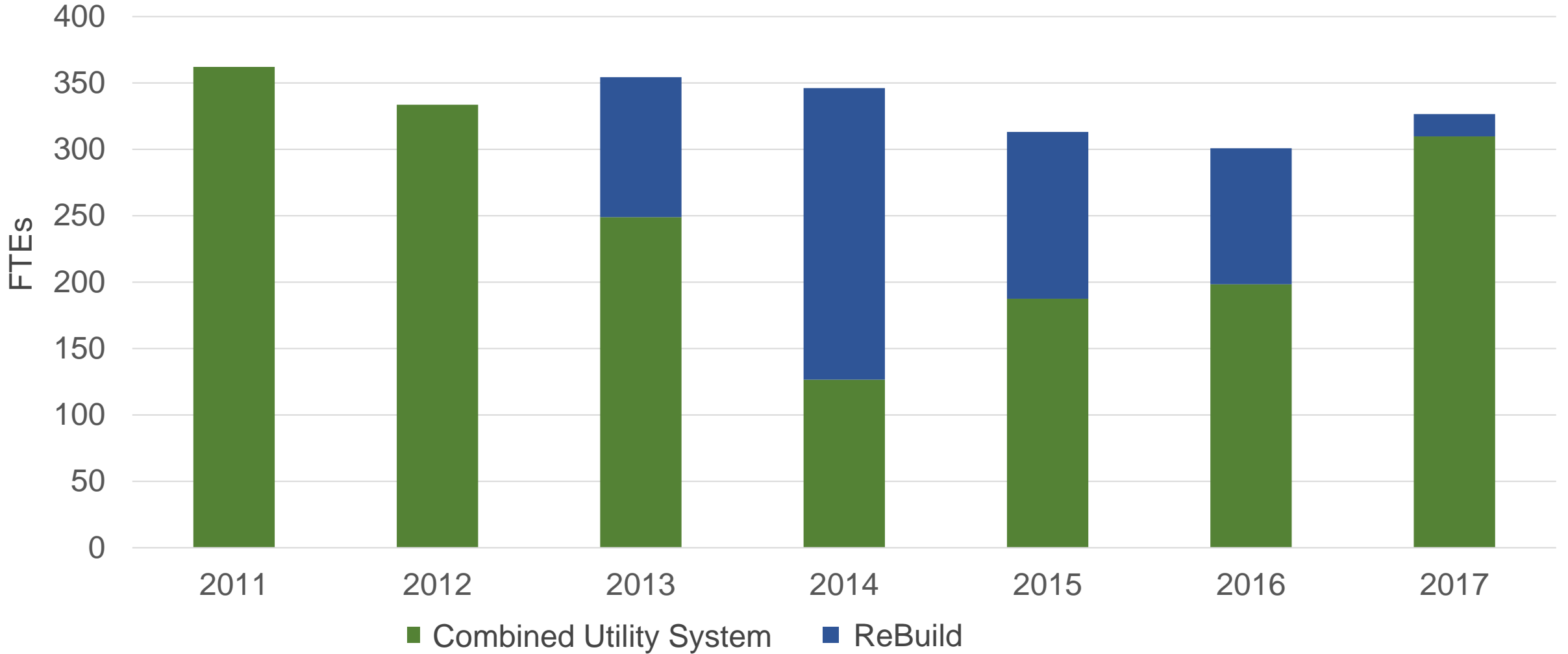
Ad Valorem	Cost Recovery*
Third Party Funds	456.2 + Cost Recovery*
Drainage Charge	18.2 + Cost Recovery*
Developer Impact Fee	0
Stormwater Fund	327.8
TOTAL	802.2 + Cost Recovery*



***Cost Recovery** is how the City tracks its project management costs that are part of rehabilitation and reconstruction projects. Cost Recovery is the standard accounting best practice for engineering and construction projects. ~150 Full Time Equivalents perform these functions.



STORMWATER FUND

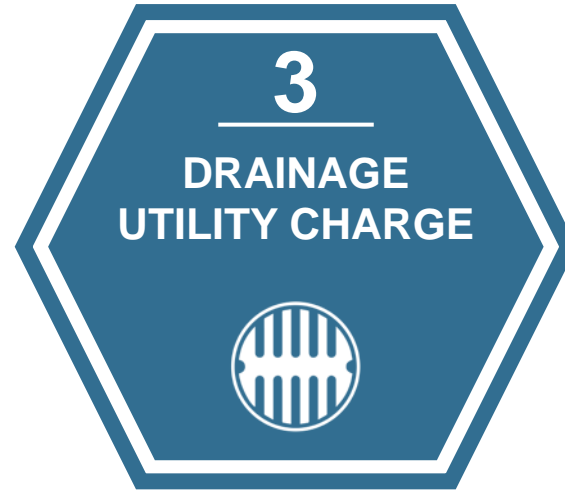


personnel as adopted through annual operating budget



ReBuild Houston

FUNDING



PROPERTY TAXES

Pay Off Old Debt First*
+
Street & Drainage Projects
Traffic Signals
Sidewalk Projects
Operations & Maintenance

*After paying pre-ReBuild debt



METRO / TX DOT

Street & Drainage Projects
Traffic Signals
Pedestrian & Bike Projects
Operations & Maintenance



DRAINAGE CHARGE

Street & Drainage Projects
(including property
acquisition, planning, design,
survey & construction)
Operations & Maintenance
(including personnel,
equipment and facilities)



PERMIT PROCESS

Street & Drainage for
Future Development



TOTAL
\$169,791



PROPERTY TAXES

Pay Off Old Debt First
+
Street & Drainage Projects
Traffic Signals
Sidewalk Projects
Operations & Maintenance

FISCAL YEAR	AD VALOREM TAXES*
2012	\$9,193
2013	\$10,897
2014	\$22,084
2015	\$41,348
2016	\$50,700
2017	\$35,568

* After paying pre-ReBuild debt
\$ in thousands



TOTAL
\$725,909



METRO / TX DOT

Street & Drainage Projects
Traffic Signals
Operations & Maintenance
Pedestrian & Bike Projects

FISCAL YEAR	METRO	TXDOT / OTHER	TOTAL
2012	\$115,434	\$31,876	\$147,310
2013	\$101,889	\$8,818	\$110,707
2014	\$113,047	\$13,656	\$126,703
2015	\$111,835	\$11,860	\$123,695
2016	\$100,272	\$14,536	\$114,808
2017	\$84,025	\$18,660	\$102,686

\$ in thousands



3 DRAINAGE UTILITY CHARGE




DRAINAGE CHARGE

Street & Drainage Projects
(including property acquisition, planning, design, survey & construction)
Operations & Maintenance
(including personnel, equipment and facilities)

TOTAL
\$671,999

FISCAL YEAR	DRAINAGE UTILITY CHARGE
2012	\$117,628
2013	\$107,051
2014	\$108,391
2015	\$114,257
2016	\$112,650
2017	\$112,022

\$ in thousands



PERMIT PROCESS

Street & Drainage for
Future Development

FISCAL YEAR	DEVELOPER IMPACT FEE
2012	\$0
2013	\$0
2014	\$52
2015	\$429
2016	\$539
2017	\$499

\$ in thousands



FUNDING

FISCAL YEAR	AD VALOREM TAXES*	THIRD PARTY FUNDS	DRAINAGE UTILITY CHARGE	DEVELOPER IMPACT FEE	TOTAL REVENUE
2012	\$9,193	\$147,310	\$117,628	\$0	\$274,131
2013	\$10,897	\$110,707	\$107,051	\$0	\$228,655
2014	\$22,084	\$126,703	\$108,391	\$52	\$257,230
2015	\$41,348	\$123,695	\$114,257	\$429	\$279,729
2016	\$50,700	\$114,808	\$112,650	\$539	\$278,697
2017	\$35,568	\$102,686	\$112,022	\$499	\$250,775
TOTAL	\$169,791	\$725,909	\$671,999	\$1,519	\$1,569,218

* After paying pre-ReBuild debt
\$ in thousands



ESTIMATED 2018 FUNDING

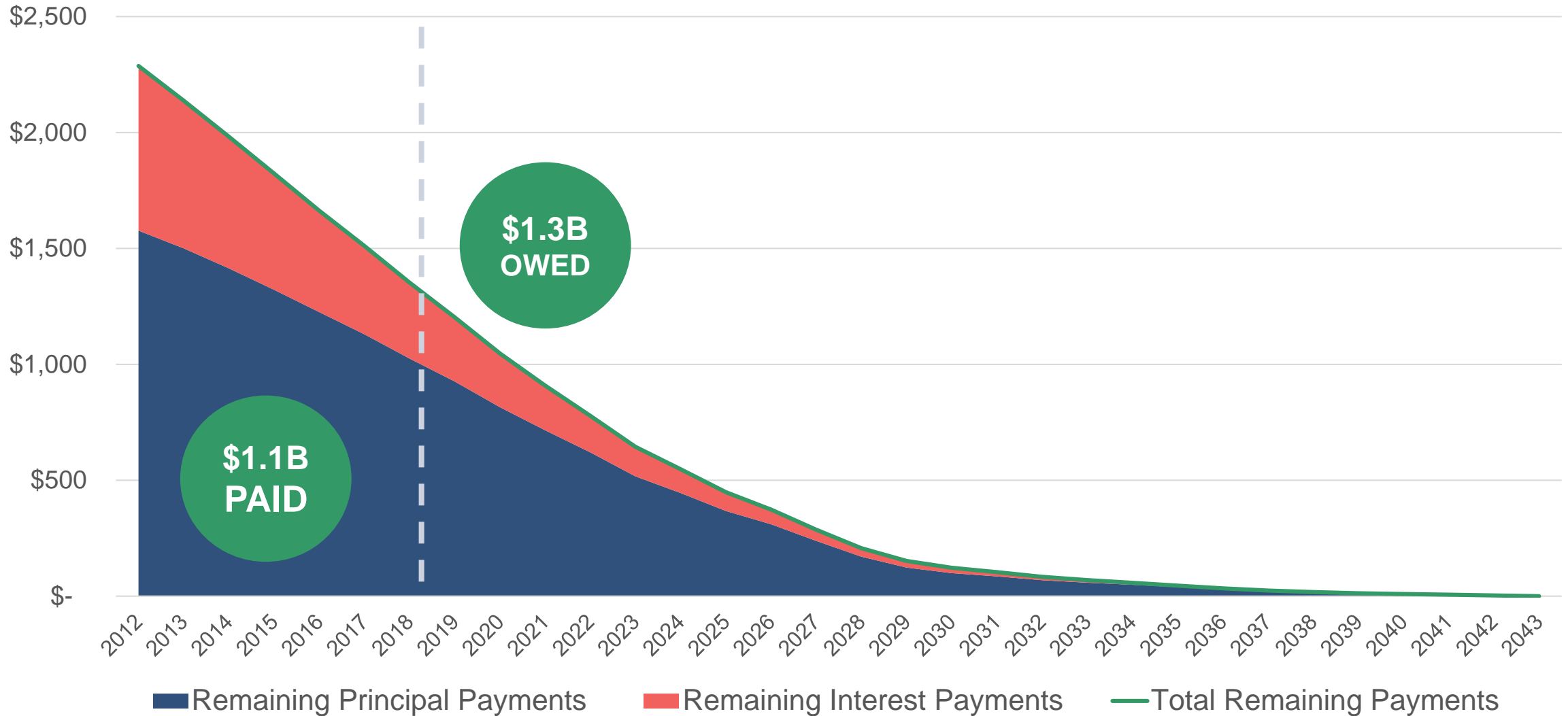
As of August 7, 2018. Funding is not finalized and subject to change pending audit.

FISCAL YEAR	AD VALOREM TAXES*	THIRD PARTY FUNDS	DRAINAGE UTILITY CHARGE	DEVELOPER IMPACT FEE	TOTAL REVENUE
2018	\$35,763	\$171,776	\$108,823	\$445	\$316,806

* After paying pre-ReBuild debt
\$ in thousands



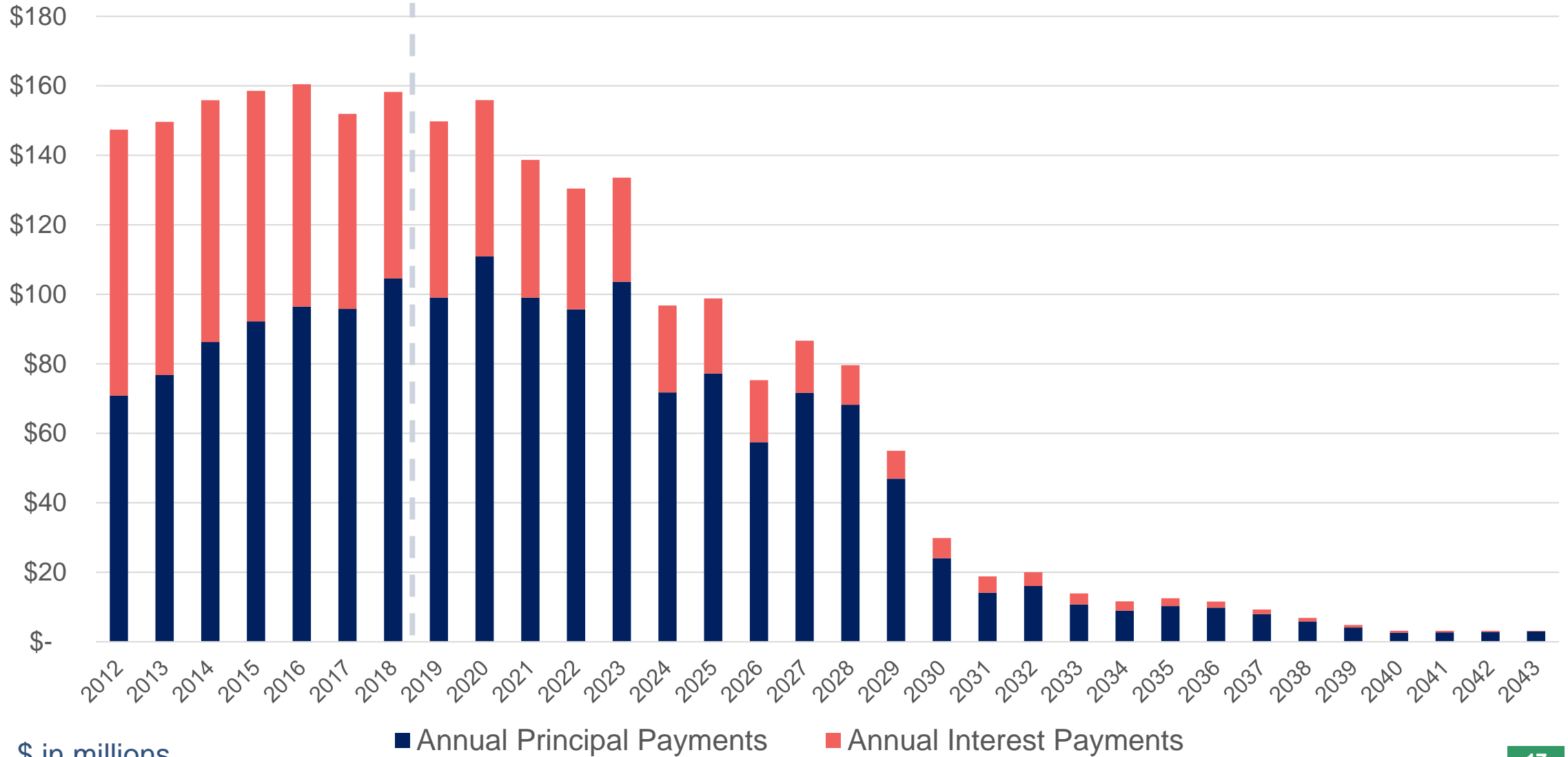
PROGRESS TOWARDS ZERO DEBT



\$ in millions



WHAT'S PAID WHAT'S OWED



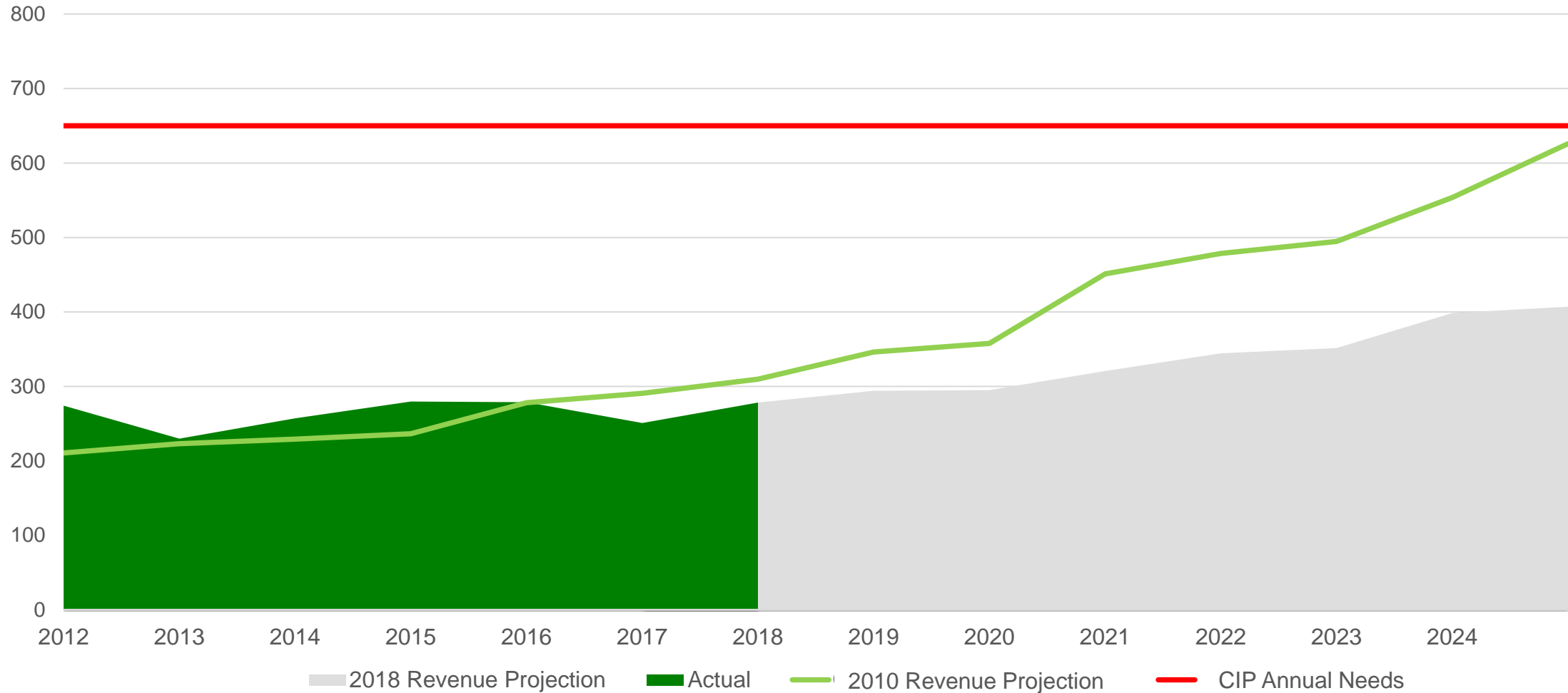
\$ in millions

■ Annual Principal Payments

■ Annual Interest Payments



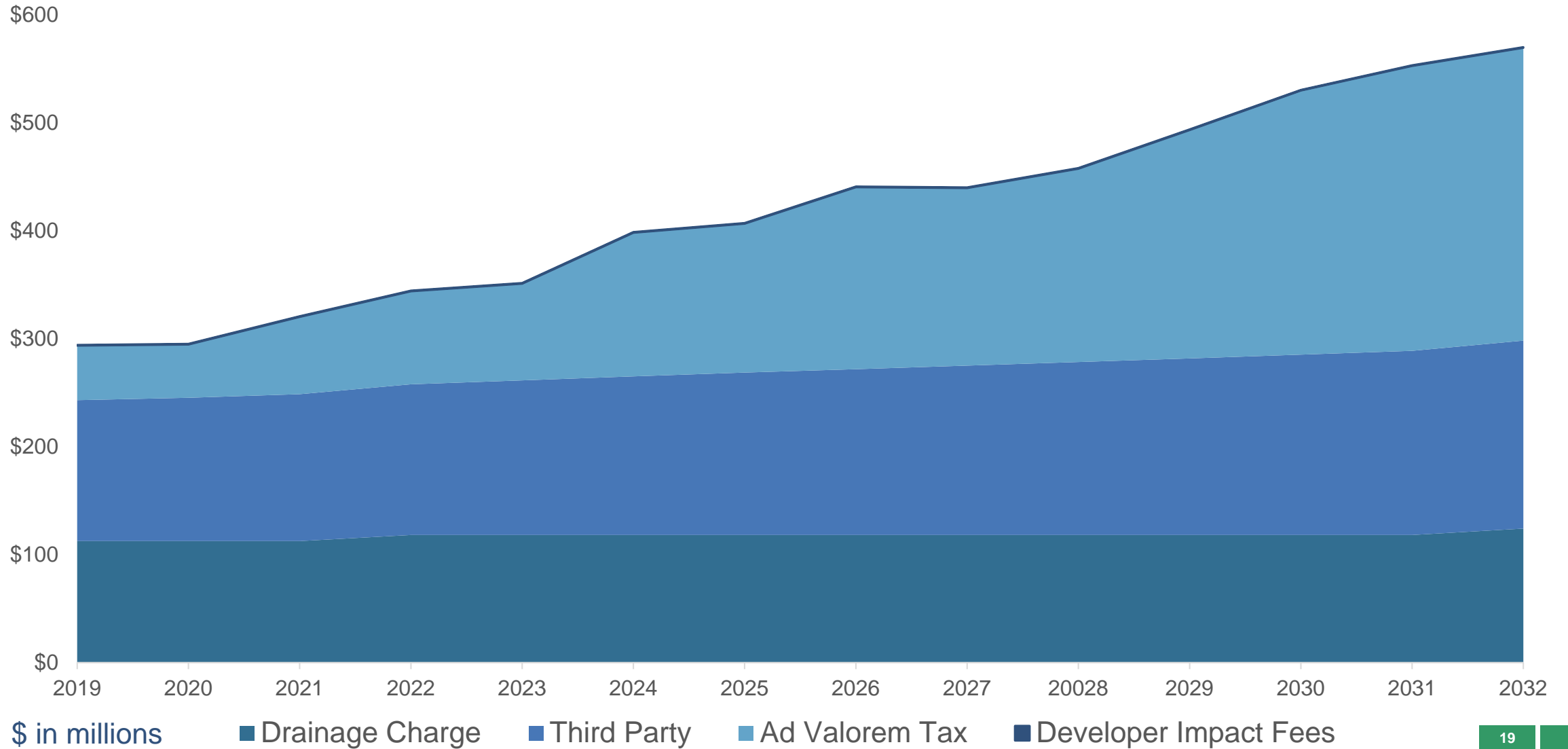
FUNDING SOURCE PROJECTION | 2012-2024



\$ in millions

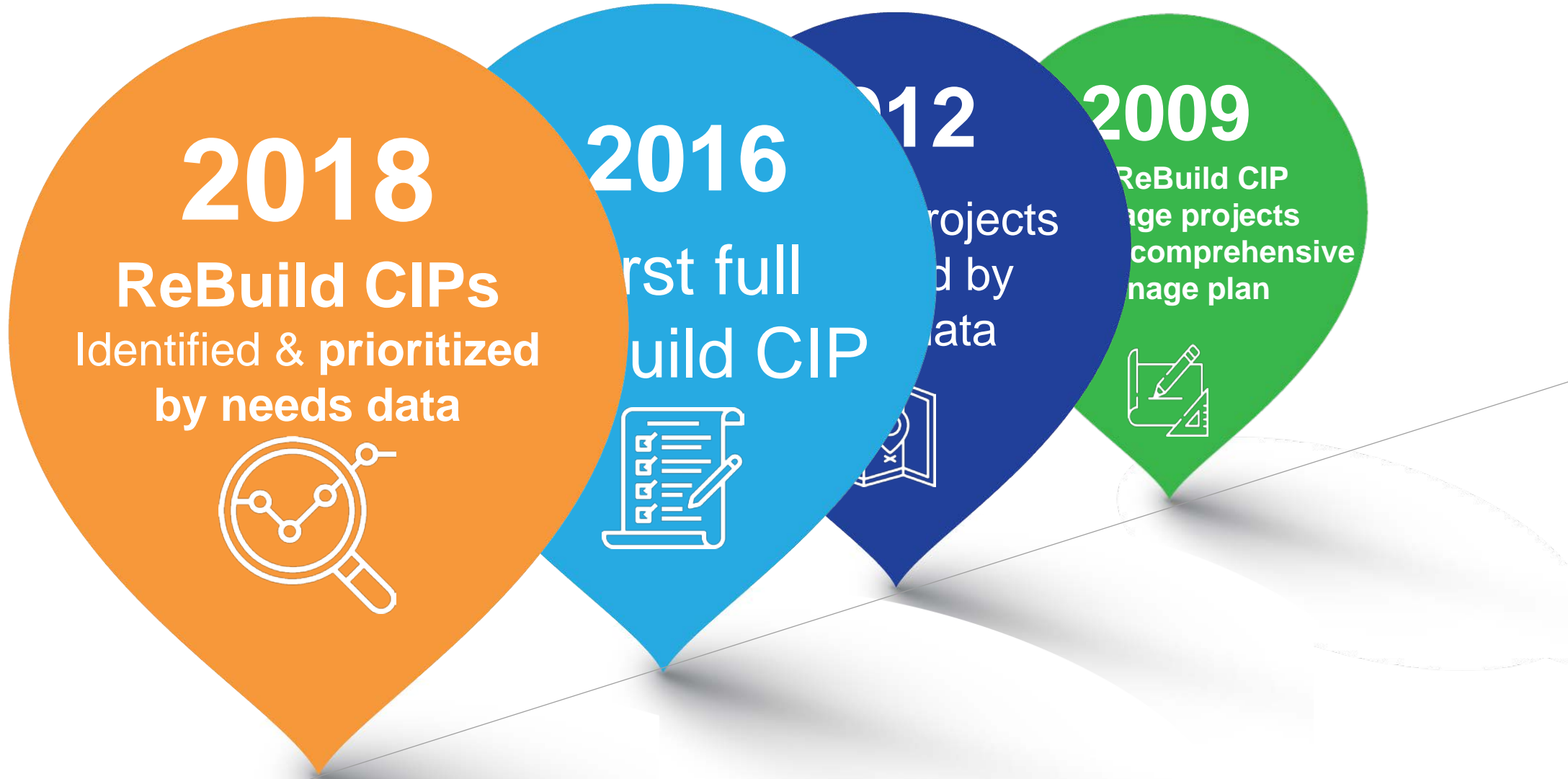


REVENUE FORECAST | FY2019-2032





ReBuild Houston
PERFORMANCE



PERFORMANCE MILESTONES



DEFINITIONS



Standard operations and maintenance

mow ditches, patch potholes, 3-1-1 calls for service



Planned improvements to extend life of infrastructure or effectiveness

local drainage projects, panel replacements, intersection safety



Large individual projects to replace and expand infrastructure systems

storm sewer upgrades, neighborhood drainage, street improvements, thoroughfares



REPAIR | 2012-2017



Pothole Repair
 Skin Patch
 Clean Inlets and Storm Lines
 Street Sweeping and Mowing

PROJECT TYPE

	AD VALOREM TAXES	THIRD PARTY FUNDS	DRAINAGE UTILITY CHARGE	DEVELOPER IMPACT FEE	TOTAL
Drainage	\$0	\$0	\$64,010	\$0	\$64,010
Pavement*	\$7,800	\$87,708	\$0	\$0	\$95,508
Mobility	\$9,749	\$116,523	\$0	\$0	\$126,272
Support Functions	\$304	\$3,418	\$17,202	\$0	\$20,924
Total	\$17,853	\$207,649	\$81,212	\$0	\$306,714

\$ in thousands

* Activities which include drainage



REPAIR | FY 2012-2017

DITCHES



MANHOLE



SKIN PATCH



STORM LINES



POTHOLE



MOWING



STREET SWEEPING

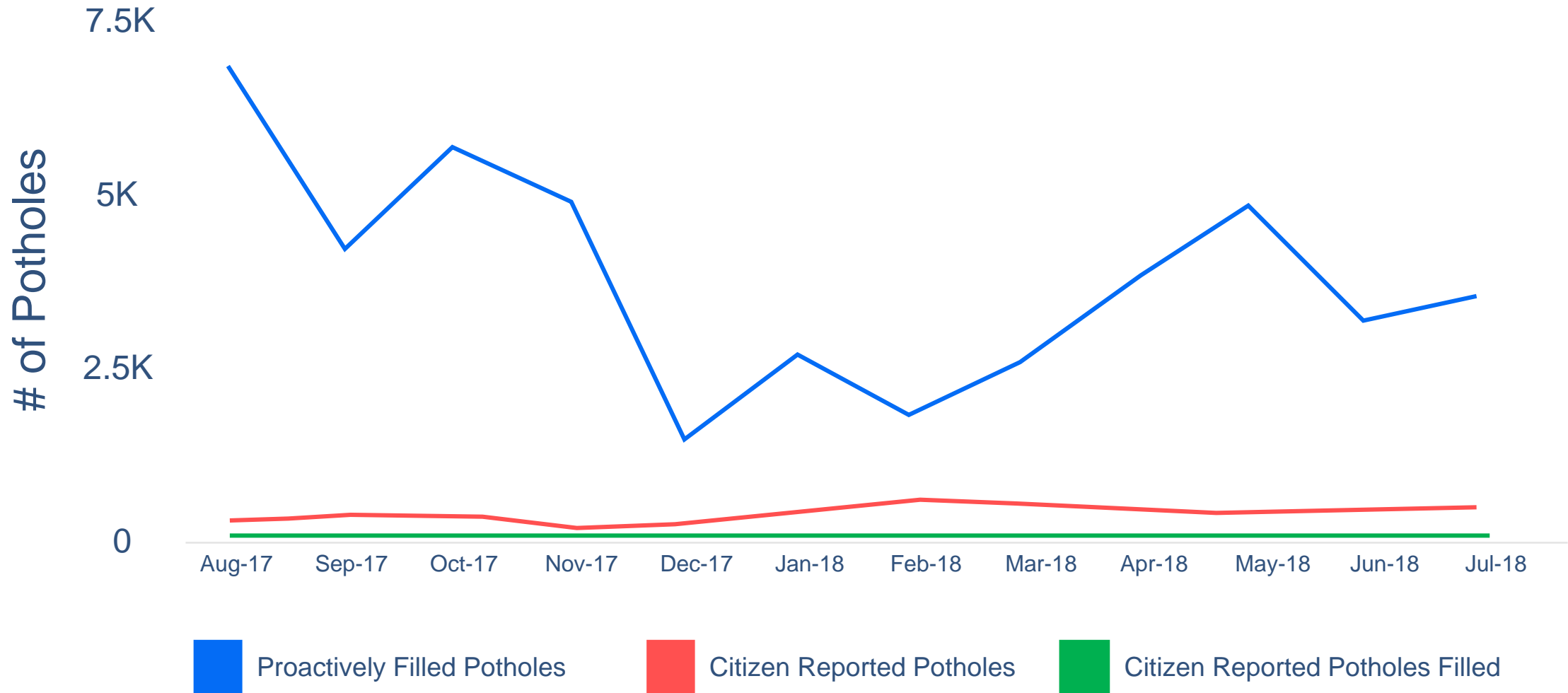


INLETS



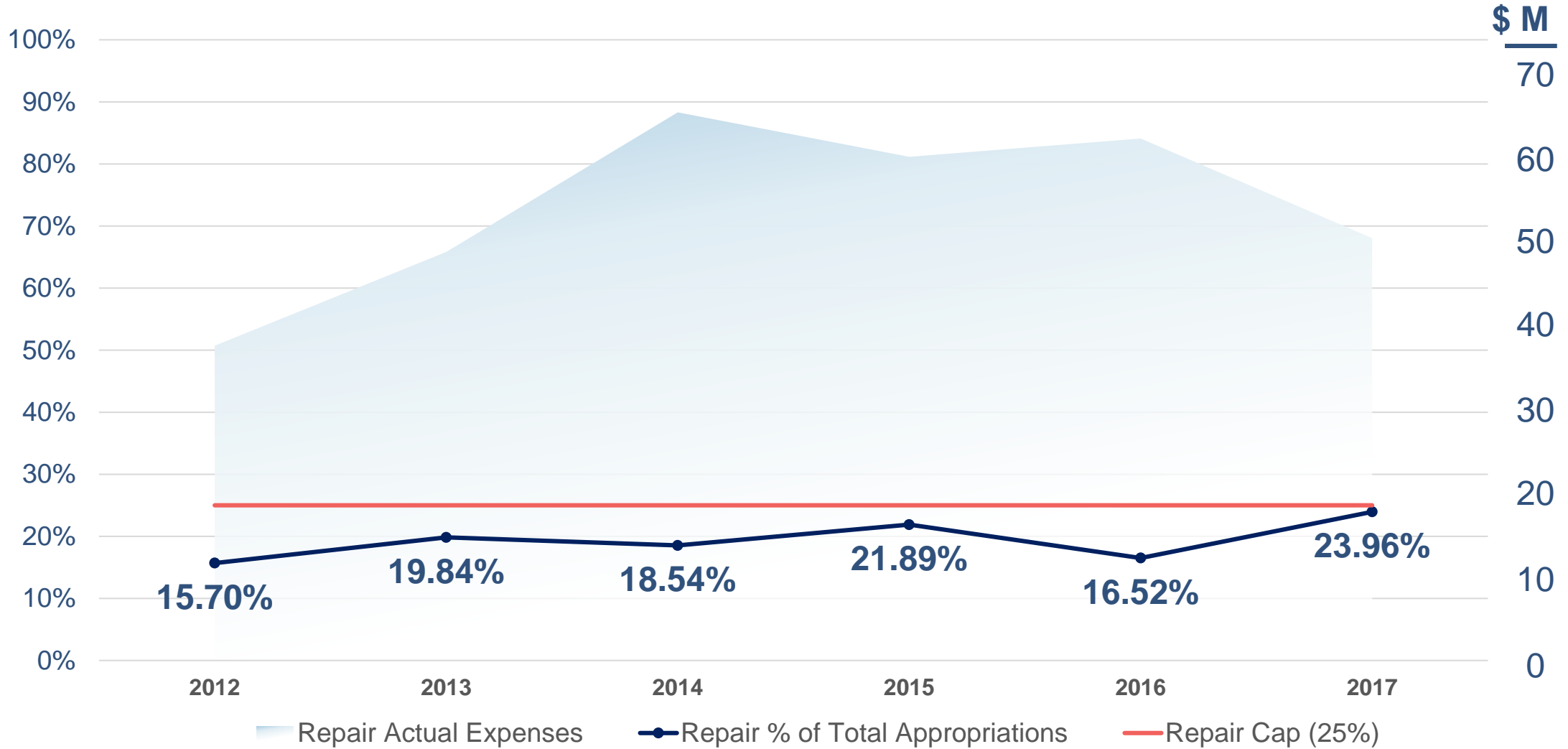


POTHOLES OVER THE LAST 12 MONTHS





REPAIR COSTS





REHABILITATION | 2012-2017



Pavement Overlay
Panel Replacement
Local Drainage Projects
Storm Water Action Team (SWAT)¹

PROJECT TYPE

	AD VALOREM TAXES	THIRD PARTY FUNDS	DRAINAGE UTILITY CHARGE	DEVELOPER IMPACT FEE	TOTAL
Drainage	\$0	\$0	\$46,635	\$0	\$46,635
Pavement ²	\$21,279	\$187,463	\$0	\$0	\$208,742
Mobility	\$2,817	\$17,171	\$0	\$0	\$19,988
Total	\$24,096	\$204,634	\$46,635	\$0	\$275,365

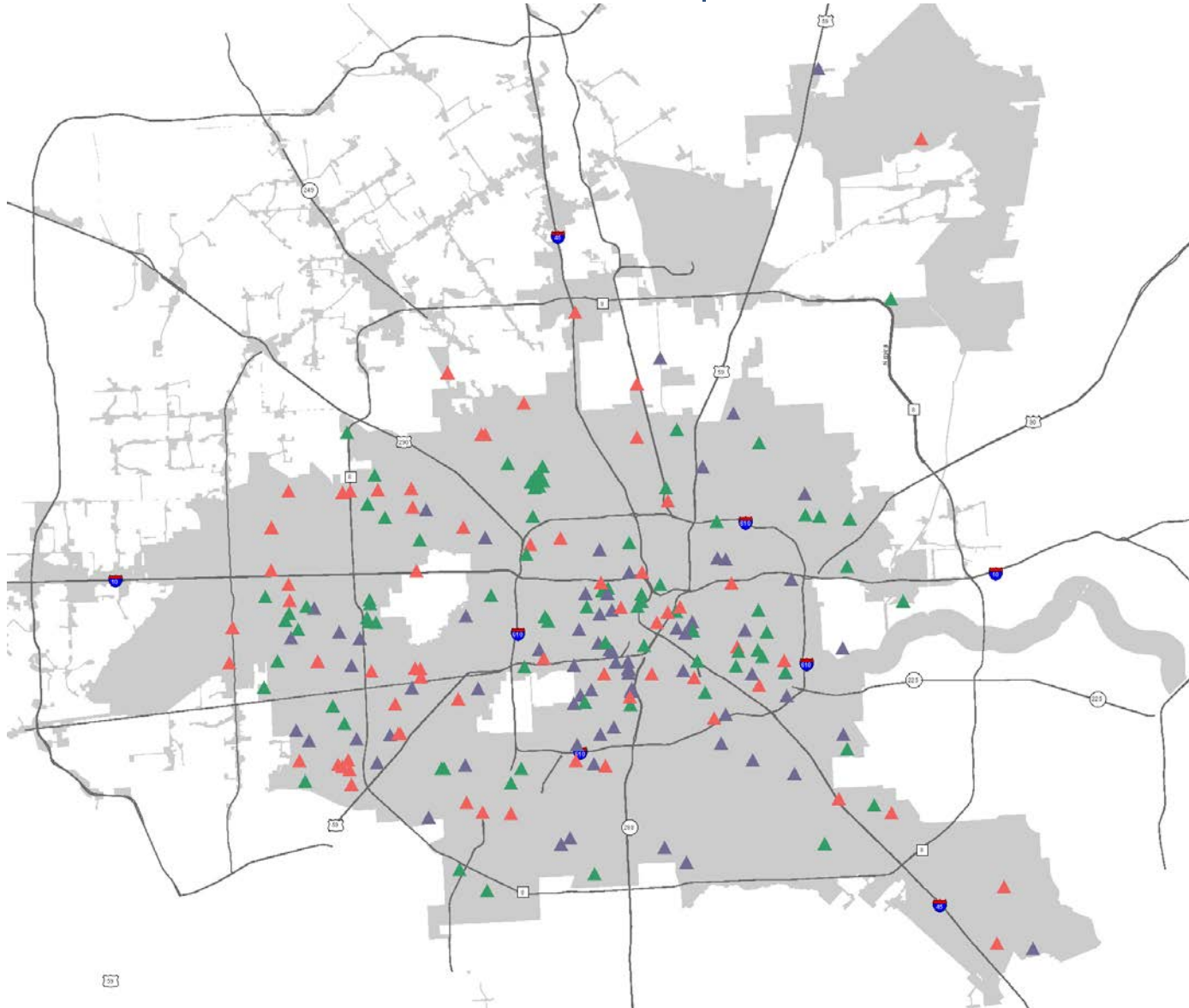
\$ in thousands

¹ SWAT was funded by General Fund in 2017. ReBuild funds SWAT starting in 2018

² Activities and projects which include drainage



REHABILITATION | 2012-2017



PROJECT TYPE	PERFORMANCE
DRAINAGE	
Locations ▲	107
Storm Lines Improved	4.4 Miles
Ditches Improved	1 Miles
PAVEMENT	
Locations ▲	97
Asphalt Reconstruction	908 Lane Miles
Major Panel Replacement	28 Lane Miles
Minor Panel Replacement	2,860
MOBILITY	
Locations ▲	75
ADA Ramps Improved	1,877
Sidewalks Improved	3 Miles
TOTAL LOCATIONS	279



RECONSTRUCT | 2012-2017



CIP Projects
Bridge Replacement
380 Agreements¹

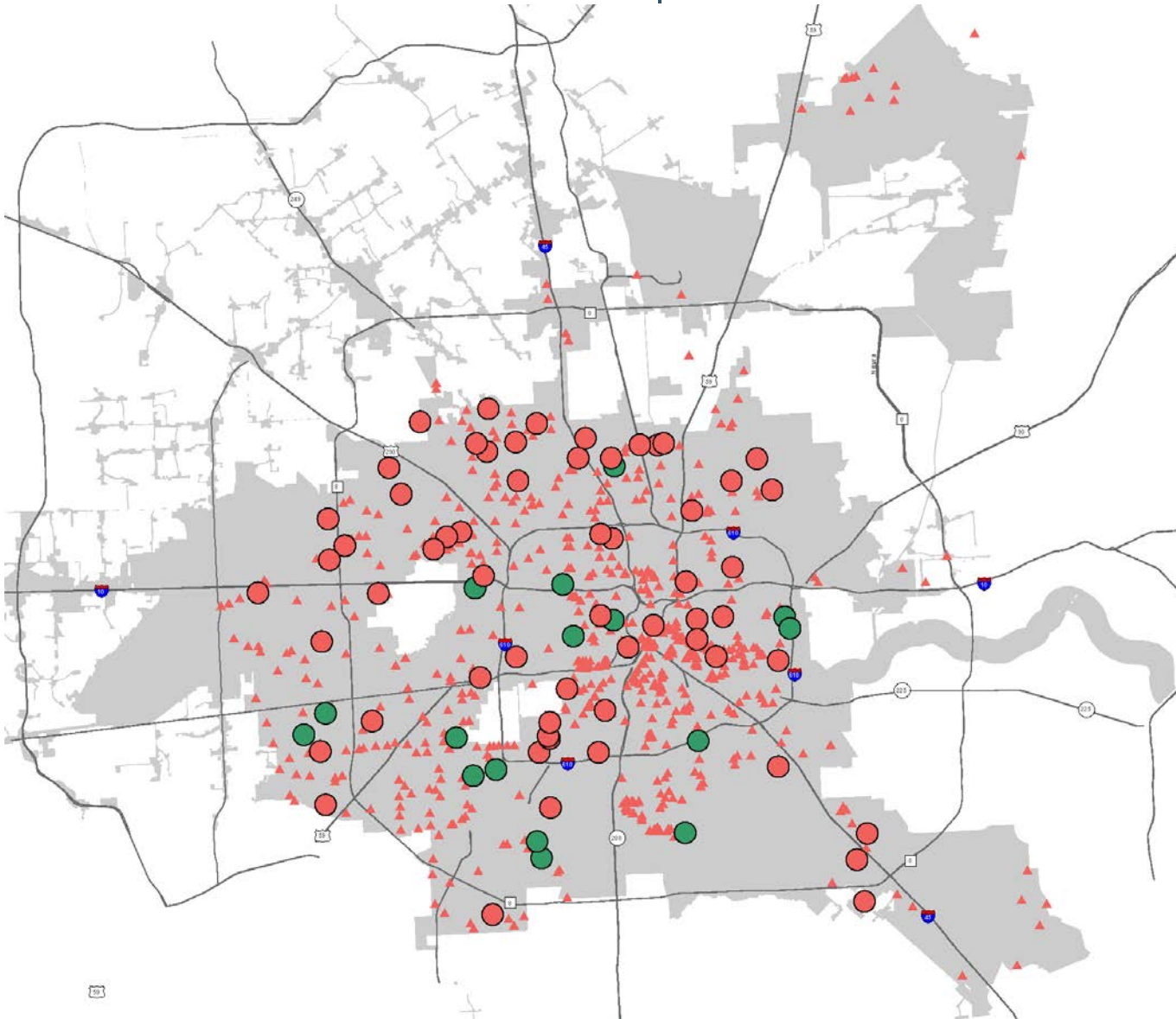
PROJECT TYPE

	AD VALOREM TAXES	THIRD PARTY FUNDS	DRAINAGE UTILITY CHARGE	DEVELOPER IMPACT FEE	TOTAL
Drainage	\$12	\$652	\$237,936	\$0	\$238,441
Pavement ² + Mobility	\$29,159	\$250,669	\$281,786	\$0	\$561,615
380 Agreement ¹	\$18,160	\$0	\$0	\$0	\$18,160
Total	\$47,331	\$251,322	\$519,723	\$0	\$818,376

\$ in thousands



RECONSTRUCT | 2012-2017



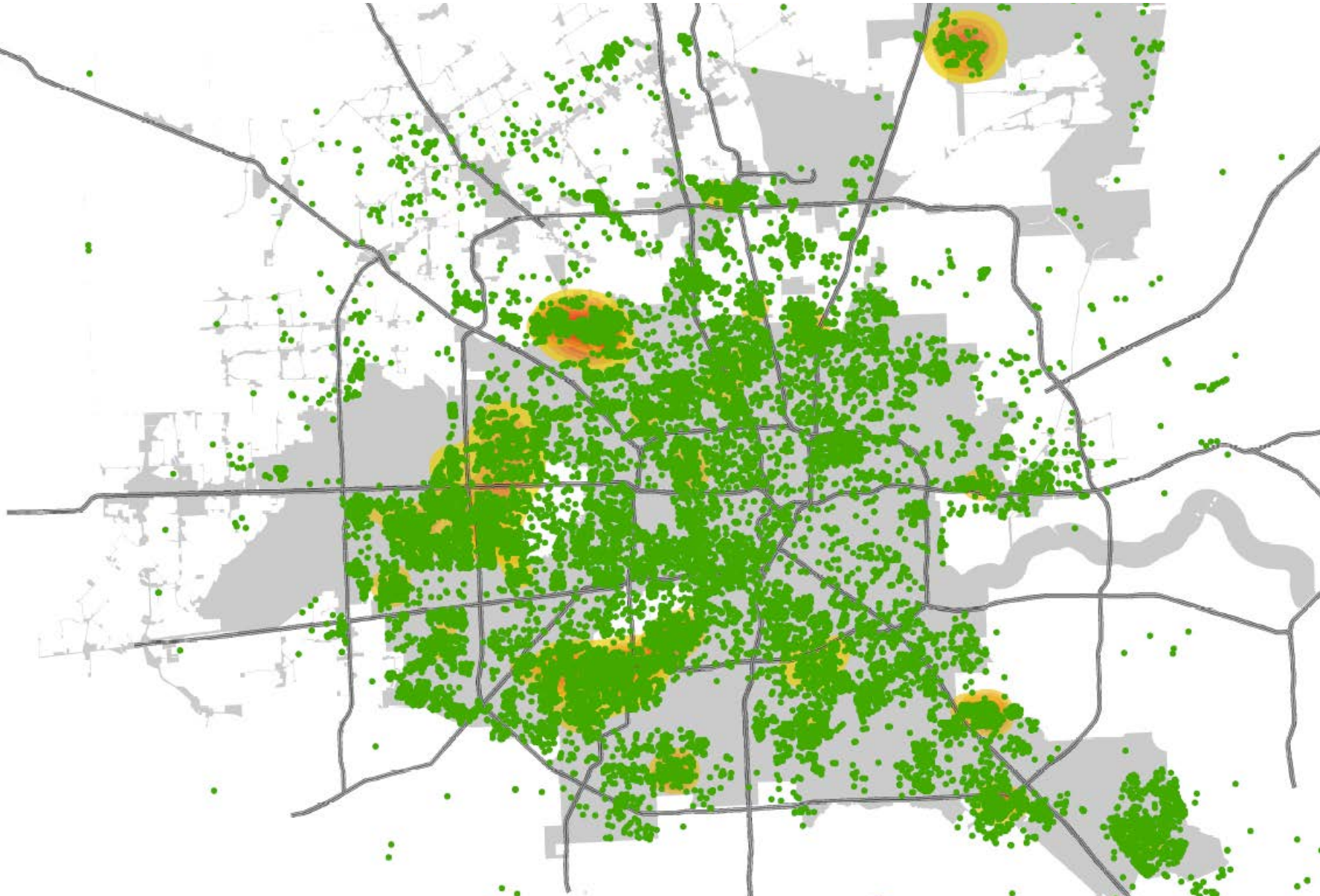
PROJECT TYPE		PERFORMANCE
DRAINAGE		
Projects Completed	●	20
Storm Lines Improved		13.3 Miles
Ditches Improved		116.3 Miles
PAVEMENT/MOBILITY		
Projects Completed	●	59
Work Order Locations	▲	883
Asphalt Reconstruction		30 Lane Miles
Concrete Reconstruction		276 Lane Miles
Bridge Reconstruction		41
ADA Ramps Improved		9,143
Sidewalks Improved		215.5 Miles
380 AGREEMENTS		6
PROPERTIES BENEFITTED		14,498



ReBuild Houston
ROADMAP



WHY REBUILD IS IMPORTANT



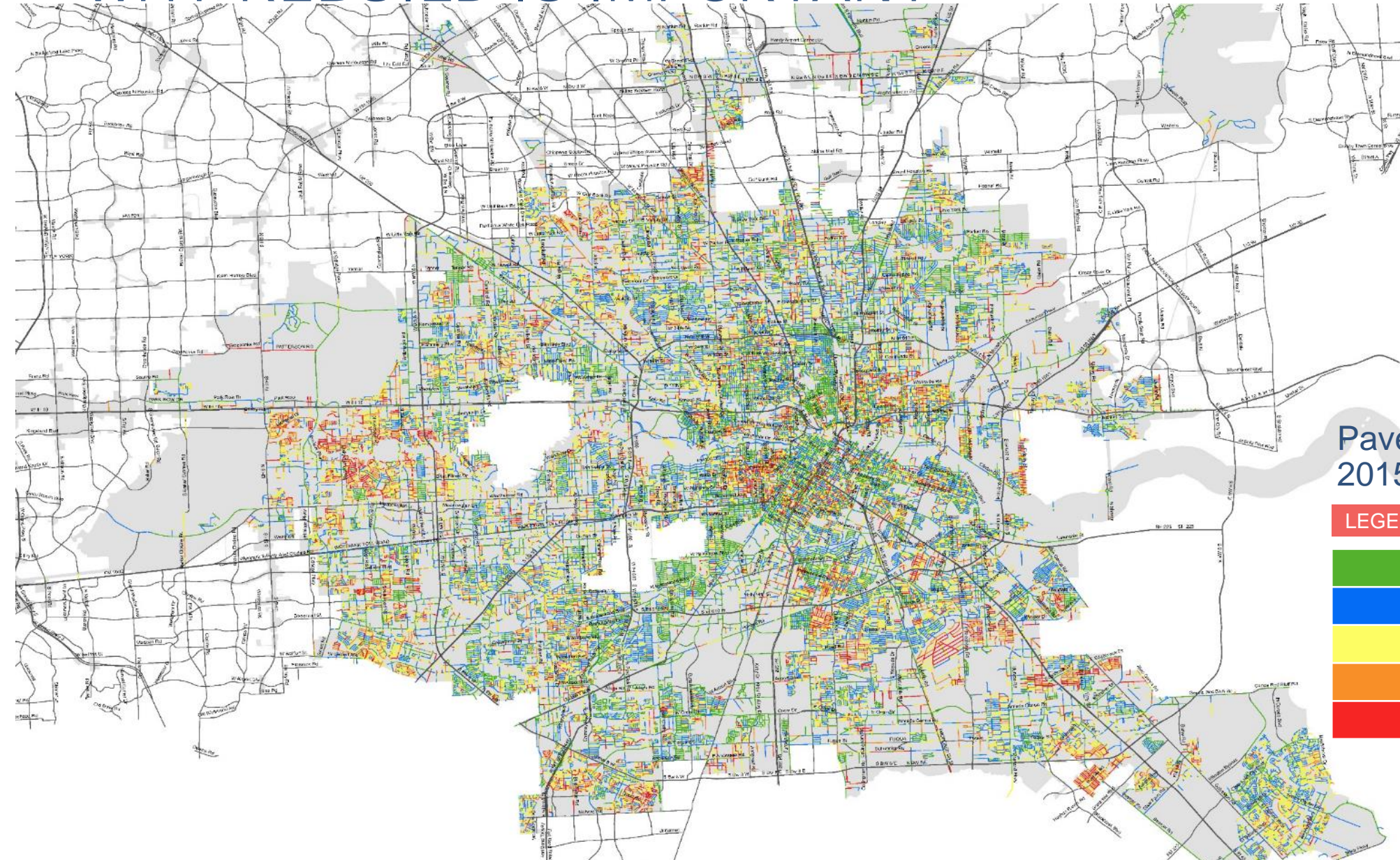
Repetitive Losses +
311 Damage Reports
1999 - July 2017

LEGEND






● Flood Damages



WHY REBUILD IS IMPORTANT

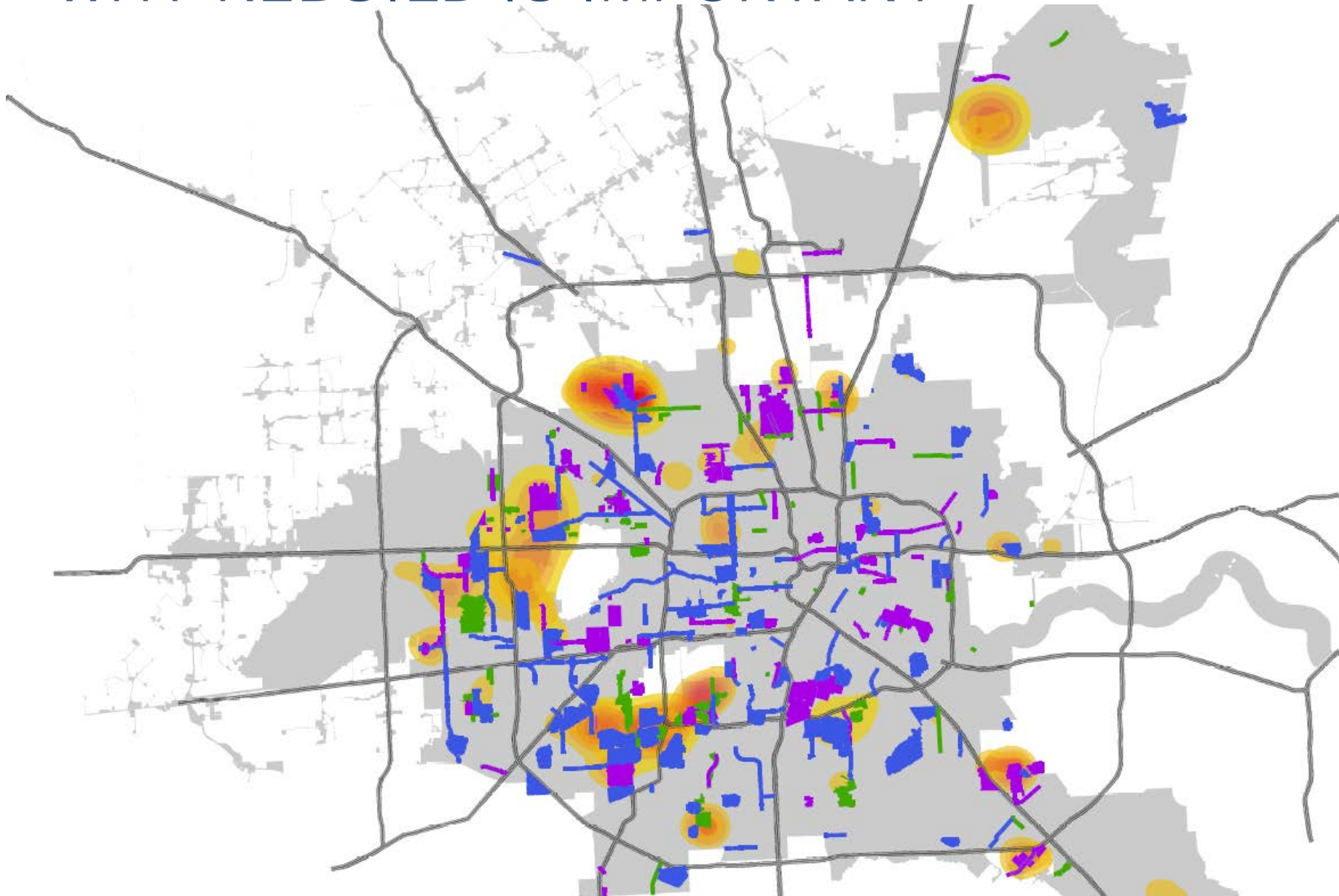


Pavement conditions
2015-2016

LEGEND		
	Good	86-100
	Satisfactory	71-85
	Fair	56-70
	Poor	41-55
	Very Poor	0-40






WHY REBUILD IS IMPORTANT



Repetitive Losses + CIP Projects

LEGEND

-  Current CIP and Subprojects
-  Inventory (Studied Areas)
-  Completed CIP Projects



GOALS

2010

Reduce risk of flooding

Make streets safer

Complete 2011-2015 CIP
commitment

Begin shift towards ReBuild
priorities

Lockbox

2018

40%-50% of funds prioritized by existing
flooding and system capacity

Coordinate projects with Harris County Flood
Control District

Partner with County on regional detention

Collaborate* to improve local drainage

Lockbox reaffirmed

*Texas Department of Transportation, Harris County Toll
Road Authority & Harris County Flood Control District



LOOKING FORWARD

Focus on
drainage
projects



Establish
partnerships



Seek
grants



Asset
management



Community
engagement



Website +
reports





WHAT'S ON THE BALLOT? *

Shall the Houston City Charter be amended to establish a Dedicated Pay-As-You-Go Fund, to be used for the enhancement, improvement, and ongoing renewal of Houston's drainage and streets, funded annually from the following sources: (i) developer impact fees; (ii) drainage charges, to property owners or users, to recover costs of providing drainage to benefitting real properties; (iii) a portion of the City's ad valorem tax levy; and (iv) third-party contracts, grants, or payments earmarked or dedicated to drainage or streets?

*Proposed ballot language as of August 10, 2018

THANK YOU



ReBuild Houston

GLOSSARY & FAQs



FAQs

1. What is the DDSRF?

Dedicated Drainage & Street Renewal Fund.

2. Where does funding for ReBuild Houston come from?

There are 4 funding sources as follows:

- [Developer Impact Fees](#): On April 3, 2013, City Council adopted the Developer Drainage Impact Fee Ordinance in accordance with the November 2, 2010 voter-approved Charter amendment and Chapter 395 of the Texas Local Government Code. Drainage Impact Fee collection begins April 3, 2014
- [Drainage Charges](#): A charge to property owners or users to recover costs of providing drainage to benefitting real properties. This is the new charge that took effect July 1, 2011, as stated in the Drainage Utility Ordinance (No. 2011-254), and will not be increased for a minimum of ten years.
- [Ad Valorem Taxes](#): a portion of the City's ad valorem tax levy* is used first to pay off the debt incurred on previous street and drainage projects. As this old debt is paid off, the balance will now go toward new street and drainage activities and projects via Pay-As-You-Go funding.
- [Third Party Funding](#): Outside funding sources such as METRO, TxDOT, Federal Grants, etc. will continue to go toward our Capital Improvement Program. However, TxDOT and Federal funds have been reduced substantially. A portion of the METRO's one cent sales tax collected in the City of Houston is currently used for mobility purposes including operation & maintenance.

* An amount equivalent to proceeds from \$0.118 of the City's ad valorem tax levy minus an amount equivalent to debt service for drainage and streets for any outstanding bonds or notes (A) issued prior December 31, 2011, and (B) bonds or notes issued to refund them.



FAQs

3. WHAT IS PAY-AS-YOU-GO?

 Cash vs  Credit for infrastructure =

 no new debt = no new interest

 ability to pay off old debt

 more cash to fund projects



FAQs

4. Why not continue to issue debt and get the infrastructure improvements we need now?

The debt issued sometimes outlasted the infrastructure's life while at the same time the annual funding level provided by debt was not enough to keep up with the service life of the infrastructure. We continue to see degradation of streets and drainage because we were not able to keep up with the system's useful life replacement schedule.

5. What are 380 Agreements?

Chapter 380 Agreements are economic development programs that benefit the City by stimulating business and commercial activity in Houston. The economic development projects construct municipal drainage and street infrastructure on behalf of the City and are reimbursed by Ad Valorem ReBuild Houston Funds. The programs are administered by the Mayor's office. For more information, visit

<https://www.houstontx.gov/ecodev/380agreements.html>