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

<table>
<thead>
<tr>
<th>bayous</th>
<th>curbs</th>
<th>pumps</th>
</tr>
</thead>
<tbody>
<tr>
<td>bridges</td>
<td>detention ponds</td>
<td>rivers</td>
</tr>
<tr>
<td>catch basins</td>
<td>ditches</td>
<td>sloughs</td>
</tr>
<tr>
<td>channels</td>
<td>draws</td>
<td>streets</td>
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<tr>
<td>conduits</td>
<td>flumes</td>
<td>treatment works</td>
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<tr>
<td>creeks</td>
<td>inlets</td>
<td></td>
</tr>
<tr>
<td>culverts</td>
<td>pipes</td>
<td></td>
</tr>
</tbody>
</table>

**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**

- **Petition for Renew Houston**
- **Pay-as-You-Go Drainage & Streets**
- **Memorial Day Flood**
- **Tax Day Flood**
- **HARRIS COUNTY BOND VOTE**
  - August 25
- **ReBuild Houston**
  - November 6

- **'10**
  - Proposition 1 Approved by Voters
- **'11**
  - Oversight Committee Established
- **'12**
  - Advisory Committee
- **'13**
  - Pay-as-You-Go Drainage & Streets
- **'14**
  - Halloween Flood
- **'15**
  - Hurricane Harvey
- **'16**
  - ReBuild Houston
- **'17**
  - Pay-as-You-Go Drainage & Streets
- **'18**
  - Pay-as-You-Go Drainage & Streets
<table>
<thead>
<tr>
<th></th>
<th>Pre-ReBuild</th>
<th>FTEs</th>
<th>ReBuild</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Valorem</td>
<td></td>
<td>Cost Recovery*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Party Funds</td>
<td>488.0 + Cost Recovery*</td>
<td>456.2 + Cost Recovery*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater Fund</td>
<td>379.9</td>
<td></td>
<td>Stormwater Fund</td>
<td>327.8</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>867.9 + Cost Recovery*</td>
<td><strong>TOTAL</strong></td>
<td>802.2 + Cost Recovery*</td>
<td></td>
</tr>
</tbody>
</table>

*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
**1. AD VALOREM TAXES**
- Pay Off Old Debt First*
- +
  - Street & Drainage Projects
  - Traffic Signals
  - Sidewalk Projects
  - Operations & Maintenance
  *After paying pre-ReBuild debt

**2. THIRD-PARTY FUNDS**
- METRO / TX DOT
  - Street & Drainage Projects
  - Traffic Signals
  - Pedestrian & Bike Projects
  - Operations & Maintenance

**3. DRAINAGE UTILITY CHARGE**
- DRAINAGE CHARGE
  - Street & Drainage Projects (including property acquisition, planning, design, survey & construction)
  - Operations & Maintenance (including personnel, equipment and facilities)

**4. DEVELOPER IMPACT FEE**
- PERMIT PROCESS
  - Street & Drainage for Future Development
## Rebuild Houston | Funding

**Ad Valorem Taxes**

1. **TOTAL:** $169,791

### Fiscal Year Ad Valorem Taxes*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Ad Valorem Taxes*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$9,193</td>
</tr>
<tr>
<td>2013</td>
<td>$10,897</td>
</tr>
<tr>
<td>2014</td>
<td>$22,084</td>
</tr>
<tr>
<td>2015</td>
<td>$41,348</td>
</tr>
<tr>
<td>2016</td>
<td>$50,700</td>
</tr>
<tr>
<td>2017</td>
<td>$35,568</td>
</tr>
</tbody>
</table>

* After paying pre-ReBuild debt

$ in thousands

---

**Property Taxes**

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

---

---

---
### Third-Party Funds

**TOTAL $725,909**

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

$ in thousands
### DRAINAGE CHARGE

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

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>DRAINAGE UTILITY CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$117,628</td>
</tr>
<tr>
<td>2013</td>
<td>$107,051</td>
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<tr>
<td>2014</td>
<td>$108,391</td>
</tr>
<tr>
<td>2015</td>
<td>$114,257</td>
</tr>
<tr>
<td>2016</td>
<td>$112,650</td>
</tr>
<tr>
<td>2017</td>
<td>$112,022</td>
</tr>
</tbody>
</table>
### 4 DEVELOPER IMPACT FEE

**TOTAL**

$1,519

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>DEVELOPER IMPACT FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$0</td>
</tr>
<tr>
<td>2013</td>
<td>$0</td>
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<tr>
<td>2014</td>
<td>$52</td>
</tr>
<tr>
<td>2015</td>
<td>$429</td>
</tr>
<tr>
<td>2016</td>
<td>$539</td>
</tr>
<tr>
<td>2017</td>
<td>$499</td>
</tr>
</tbody>
</table>

$ in thousands

**PERMIT PROCESS**

Street & Drainage for Future Development
# Funding

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Ad Valorem Taxes*</th>
<th>Third Party Funds</th>
<th>Drainage Utility Charge</th>
<th>Developer Impact Fee</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$9,193</td>
<td>$147,310</td>
<td>$117,628</td>
<td>$0</td>
<td>$274,131</td>
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<tr>
<td>2013</td>
<td>$10,897</td>
<td>$110,707</td>
<td>$107,051</td>
<td>$0</td>
<td>$228,655</td>
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<tr>
<td>2014</td>
<td>$22,084</td>
<td>$126,703</td>
<td>$108,391</td>
<td>$52</td>
<td>$257,230</td>
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<tr>
<td>2015</td>
<td>$41,348</td>
<td>$123,695</td>
<td>$114,257</td>
<td>$429</td>
<td>$279,729</td>
</tr>
<tr>
<td>2016</td>
<td>$50,700</td>
<td>$114,808</td>
<td>$112,650</td>
<td>$539</td>
<td>$278,697</td>
</tr>
<tr>
<td>2017</td>
<td>$35,568</td>
<td>$102,686</td>
<td>$112,022</td>
<td>$499</td>
<td>$250,775</td>
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<tr>
<td>Total</td>
<td>$169,791</td>
<td>$725,909</td>
<td>$671,999</td>
<td>$1,519</td>
<td>$1,569,218</td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>AD VALOREM TAXES*</th>
<th>THIRD PARTY FUNDS</th>
<th>DRAINAGE UTILITY CHARGE</th>
<th>DEVELOPER IMPACT FEE</th>
<th>TOTAL REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$35,763</td>
<td>$171,776</td>
<td>$108,823</td>
<td>$445</td>
<td>$316,806</td>
</tr>
</tbody>
</table>

* After paying pre-ReBuild debt

$ in thousands
PROGRESS TOWARDS ZERO DEBT

$1.1B PAID

$1.3B OWED

Remaining Principal Payments
Remaining Interest Payments
Total Remaining Payments

$ in millions

WHAT’S PAID WHAT’S OWED

$ in millions

Annual Principal Payments
Annual Interest Payments
FUNDING SOURCE PROJECTION | 2012-2024

$ in millions
Pre-ReBuild CIP drainage projects based on comprehensive drainage plan

2009
- First CIP projects prioritized by needs data

2012
- First full ReBuild CIP
- Projects identified by comprehensive needs data

2016
- ReBuild CIPs identified & prioritized by needs data

2018
- 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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>AD VALOREM TAXES</th>
<th>THIRD PARTY FUNDS</th>
<th>DRAINAGE UTILITY CHARGE</th>
<th>DEVELOPER IMPACT FEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drainage</td>
<td>$0</td>
<td>$0</td>
<td>$64,010</td>
<td>$0</td>
<td>$64,010</td>
</tr>
<tr>
<td>Pavement*</td>
<td>$7,800</td>
<td>$87,708</td>
<td>$0</td>
<td>$0</td>
<td>$95,508</td>
</tr>
<tr>
<td>Mobility</td>
<td>$9,749</td>
<td>$116,523</td>
<td>$0</td>
<td>$0</td>
<td>$126,272</td>
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<tr>
<td>Support Functions</td>
<td>$304</td>
<td>$3,418</td>
<td>$17,202</td>
<td>$0</td>
<td>$20,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$17,853</strong></td>
<td><strong>$207,649</strong></td>
<td><strong>$81,212</strong></td>
<td><strong>$0</strong></td>
<td><strong>$306,714</strong></td>
</tr>
</tbody>
</table>

$ in thousands  
* Activities which include drainage
REBUILD HOUSTON | PERFORMANCE

**REPAIR | FY 2012-2017**

- **DITCHES**
  - 92 ACRES OFF-ROAD
  - 1.5K MILES ROAD-SIDE

- **MANHOLE**
  - 364 REPAIR
  - 544 REPLACED

- **SKIN PATCH**
  - 42.2K REPAIRS

- **STORM LINES**
  - 482 MILES CLEANED
  - 6.4K REPAIRS COMPLETED

- **POTHOLE**
  - 292K REPAIRS

- **MOWING**
  - 21.1K MILES

- **INLETS**
  - 44.2K CLEANED
  - 3.2K REPAIRED

- **STREET SWEEPING**
  - 118.3K LANE MILES
POTHOLE OVER THE LAST 12 MONTHS

# of Potholes

- Aug-17
- Sep-17
- Oct-17
- Nov-17
- Dec-17
- Jan-18
- Feb-18
- Mar-18
- Apr-18
- May-18
- Jun-18
- Jul-18

- Proactively Filled Potholes
- Citizen Reported Potholes
- Citizen Reported Potholes Filled
## REHABILITATION | 2012-2017

**Pavement Overlay**
- Panel Replacement
- Local Drainage Projects
- Storm Water Action Team (SWAT)\(^1\)

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>AD VALOREM TAXES</th>
<th>THIRD PARTY FUNDS</th>
<th>DRAINAGE UTILITY CHARGE</th>
<th>DEVELOPER IMPACT FEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drainage</td>
<td>$0</td>
<td>$0</td>
<td>$46,635</td>
<td>$0</td>
<td>$46,635</td>
</tr>
<tr>
<td>Pavement(^2)</td>
<td>$21,279</td>
<td>$187,463</td>
<td>$0</td>
<td>$0</td>
<td>$208,742</td>
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<tr>
<td>Mobility</td>
<td>$2,817</td>
<td>$17,171</td>
<td>$0</td>
<td>$0</td>
<td>$19,988</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$24,096</strong></td>
<td><strong>$204,634</strong></td>
<td><strong>$46,635</strong></td>
<td><strong>$0</strong></td>
<td><strong>$275,365</strong></td>
</tr>
</tbody>
</table>

$ 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 Agreements

### PROJECT TYPE

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>AD VALOREM TAXES</th>
<th>THIRD PARTY FUNDS</th>
<th>DRAINAGE UTILITY CHARGE</th>
<th>DEVELOPER IMPACT FEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drainage</td>
<td>$12</td>
<td>$652</td>
<td>$237,936</td>
<td>$0</td>
<td>$238,441</td>
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<tr>
<td>Pavement(^2) + Mobility</td>
<td>$29,159</td>
<td>$250,669</td>
<td>$281,786</td>
<td>$0</td>
<td>$561,615</td>
</tr>
<tr>
<td>380 Agreement(^1)</td>
<td>$18,160</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$18,160</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$47,331</strong></td>
<td><strong>$251,322</strong></td>
<td><strong>$519,723</strong></td>
<td><strong>$0</strong></td>
<td><strong>$818,376</strong></td>
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$ in thousands
REBUILD HOUSTON | PERFORMANCE

RECONSTRUCT | 2012-2017

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRAINAGE</td>
<td></td>
</tr>
<tr>
<td>Projects Completed</td>
<td>20</td>
</tr>
<tr>
<td>Storm Lines Improved</td>
<td>13.3 Miles</td>
</tr>
<tr>
<td>Ditches Improved</td>
<td>116.3 Miles</td>
</tr>
<tr>
<td>PAVEMENT/MOBILITY</td>
<td></td>
</tr>
<tr>
<td>Projects Completed</td>
<td>59</td>
</tr>
<tr>
<td>Work Order Locations</td>
<td>883</td>
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<tr>
<td>Asphalt Reconstruction</td>
<td>30 Lane Miles</td>
</tr>
<tr>
<td>Concrete Reconstruction</td>
<td>276 Lane Miles</td>
</tr>
<tr>
<td>Bridge Reconstruction</td>
<td>41</td>
</tr>
<tr>
<td>ADA Ramps Improved</td>
<td>9,143</td>
</tr>
<tr>
<td>Sidewalks Improved</td>
<td>215.5 Miles</td>
</tr>
<tr>
<td>380 AGREEMENTS</td>
<td>6</td>
</tr>
<tr>
<td>PROPERTIES BENEFITTED</td>
<td>14,498</td>
</tr>
</tbody>
</table>
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
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:
   - **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