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**

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

- **‘10**
  - Proposition 1 Approved by Voters
  - Oversight Committee Established

- **‘11**

- **‘12**

- **‘13**

- **‘14**

- **‘15**

- **‘16**

- **‘17**

- **‘18**
**EMPLOYEES**

<table>
<thead>
<tr>
<th>Pre-ReBuild</th>
<th>FY 2010</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Valorem</td>
<td></td>
<td>Cost Recovery*</td>
</tr>
<tr>
<td>Third Party Funds</td>
<td>488.0 + Cost Recovery*</td>
<td></td>
</tr>
<tr>
<td>Stormwater Fund</td>
<td>379.9</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>867.9 + Cost Recovery*</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ReBuild</th>
<th>FY 2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Valorem</td>
<td></td>
<td>Cost Recovery*</td>
</tr>
<tr>
<td>Third Party Funds</td>
<td>456.2 + Cost Recovery*</td>
<td></td>
</tr>
<tr>
<td>Drainage Charge</td>
<td>18.2 + Cost Recovery*</td>
<td></td>
</tr>
<tr>
<td>Developer Impact Fee</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Stormwater Fund</td>
<td>327.8</td>
<td></td>
</tr>
<tr>
<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
ReBuild Houston FUNDING
1. **AD VALOREM TAXES**

   Property Taxes
   - Pay Off Old Debt First*
   - Property Taxes
   - 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

### TOTAL

$169,791

## PROPERTY TAXES

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

## FISCAL YEAR | AD VALOREM TAXES*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</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
### REBUILD HOUSTON | FUNDING

**TOTAL**

$725,909

#### METRO / TX DOT
Street & Drainage Projects
Traffic Signals
Operations & Maintenance
Pedestrian & Bike Projects

<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>
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<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>
</tr>
</tbody>
</table>

$ in thousands
## DRAINAGE UTILITY CHARGE

**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
### Developer Impact Fee

<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>
</tr>
<tr>
<td>2014</td>
<td>$52</td>
</tr>
<tr>
<td>2015</td>
<td>$429</td>
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<tr>
<td>2016</td>
<td>$539</td>
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<tr>
<td>2017</td>
<td>$499</td>
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</table>

TOTAL: $1,519

$ in thousands
# 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>
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<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><strong>Total</strong></td>
<td><strong>$169,791</strong></td>
<td><strong>$725,909</strong></td>
<td><strong>$671,999</strong></td>
<td><strong>$1,519</strong></td>
<td><strong>$1,569,218</strong></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

$ in millions

Remaining Principal Payments  Remaining Interest Payments  Total Remaining Payments

$1.1B PAID

$1.3B OWED

$ in billions

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

$ in millions

- Drainage Charge
- Third Party
- Ad Valorem Tax
- Developer Impact Fees

2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032
2018
ReBuild CIPs
Identified & prioritized by needs data

2016
First full ReBuild CIP

2012
Projects prioritized by data

2009
ReBuild CIP
Drainage projects based on comprehensive drainage plan

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>
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<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>
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<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
- **STREET SWEEPING**: 118.3K LANE MILES
- **INLETS**: 44.2K CLEANED / 3.2K REPAIRED
POTHOLE OVER THE LAST 12 MONTHS

# of Potholes

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

<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>Pavement¹</td>
<td>$21,279</td>
<td>$187,463</td>
<td>$0</td>
<td>$0</td>
<td>$208,742</td>
</tr>
<tr>
<td>Mobility</td>
<td>$2,817</td>
<td>$17,171</td>
<td>$0</td>
<td>$0</td>
<td>$19,988</td>
</tr>
<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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DRAINAGE</strong></td>
<td></td>
</tr>
<tr>
<td>Locations</td>
<td>107</td>
</tr>
<tr>
<td>Storm Lines Improved</td>
<td>4.4 Miles</td>
</tr>
<tr>
<td>Ditches Improved</td>
<td>1 Miles</td>
</tr>
<tr>
<td><strong>PAVEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Locations</td>
<td>97</td>
</tr>
<tr>
<td>Asphalt Reconstruction</td>
<td>908 Lane Miles</td>
</tr>
<tr>
<td>Major Panel Replacement</td>
<td>28 Lane Miles</td>
</tr>
<tr>
<td>Minor Panel Replacement</td>
<td>2,860</td>
</tr>
<tr>
<td><strong>MOBILITY</strong></td>
<td></td>
</tr>
<tr>
<td>Locations</td>
<td>75</td>
</tr>
<tr>
<td>ADA Ramps Improved</td>
<td>1,877</td>
</tr>
<tr>
<td>Sidewalks Improved</td>
<td>3 Miles</td>
</tr>
<tr>
<td><strong>TOTAL LOCATIONS</strong></td>
<td><strong>279</strong></td>
</tr>
</tbody>
</table>
# RECONSTRUCT | 2012-2017

CIP Projects
Bridge Replacement
380 Agreements

<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>
</tr>
<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>
</tr>
<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>
</tr>
</tbody>
</table>

$ in thousands
REBUILD HOUSTON | PERFORMANCE

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
WHY REBUILD IS IMPORTANT

Repetitive Losses +
311 Damage Reports
1999 - July 2017
WHY REBUILD IS IMPORTANT

Pavement conditions 2015-2016

LEGEND

<table>
<thead>
<tr>
<th>Condition</th>
<th>Score Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>86-100</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>71-85</td>
</tr>
<tr>
<td>Fair</td>
<td>56-70</td>
</tr>
<tr>
<td>Poor</td>
<td>41-55</td>
</tr>
<tr>
<td>Very Poor</td>
<td>0-40</td>
</tr>
</tbody>
</table>
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
REBUILD HOUSTON | ROADMAP

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