

Memorandum

To: **Mayor Annise Parker** Date: **July 2, 2014**
From: **Rebuild Houston Advisory Committee** Subject: **FY2015 CIP Amendments**

The Committee's mission is to be an independent advisory committee whose role is to advise the City on Rebuild Houston and the project prioritization process. In performing this advisory role, the Committee will:

- Advise the Mayor on PWE project selection, process methodology and recommend changes where appropriate to enhance outcomes.
- Advise the Mayor on ways to more effectively engage super neighborhood, civic, homeowner and business groups to ensure various stakeholders are informed of project priorities and are provided an opportunity for input into the Rebuild Houston program, including monitoring and recommending improvements to community relations activities.
- Provide regular reports to the Transportation, Technology & Infrastructure Committee.

You have requested the committee's feedback regarding the various FY 2015-2019 CIP amendments that were submitted at Council on Wednesday, June 25, 2014. The committee conducted two conference calls to review the amendments and discuss specific solutions. In sum, the committee believes more process does not address council's underlying concerns; which are more street and drainage resources and focusing those resources on specific neighborhood issues. Accordingly, please find the committee response including specific recommendations for your consideration and review:

Amendments offered by CMs Bradford and Davis:

Allocating \$6,000,000 from the Unused General Obligation Fund Balance to establish a Capital Improvement Council District Service Project Program, with the provision that if the \$6,000,000 is not available, the balance shall be taken from the Dedicated Drainage Street Renewal Fund ("DDSRF"). The Capital Improvement Council District Service Project Program funds could be used to quickly address neighborhood issues such as including but not limited to, sidewalks, street and drainage issues.

RHAC's response:

*While the amendment language is ambiguous, the Rebuild Houston Advisory committee unambiguously **opposes** any effort to "take" or "redirect" DDSRF funds into non-street and drainage projects or CIP street and drainage projects that have not met specific pre-engineering and cost/benefit scoring requirements.*

Amendments offered by CMs Davis and Green:

Within 90 days, major thoroughfare projects funded by the Dedicated Drainage & Street Renewal Fund (DDSRF) shall be limited to a maximum of 40% of funds expended from the DDSRF and or

interchangeably, within 90 days, major thoroughfare projects funded by the Dedicated Drainage & Street Renewal Fund (DDSRF) shall be allocated no less than 40% of funds expended from the DDSRF and local street projects funded by the Dedicated Drainage & Street Renewal Fund (DDSRF) shall be allocated no less than 60% of funds expended from the DDSRF.

Amendment offered by CM Green:

Allocate \$2,000,000.00 toward the replacement of esplanade, roadway, and residential curbs.

RHAC's response:

*The City of Houston has an estimated 16,000 lane miles of roadway of which approximately 2/3 are local/collector streets and the balance are thoroughfares. However, a significant portion of drainage projects are tied to thoroughfare projects. The Rebuild Houston Advisory committee is sympathetic to the fact that councilmembers are receiving a growing number of constituent complaints regarding street condition. However, the question of determining an appropriate balance between local/collector streets and thoroughfares defies a simple solution. That said, the current CIP is too thoroughfare biased. Clearly, we need to build more equity into the system, thus ensuring that neighborhoods are more effectively impacted. Anecdotally, we have learned that neighborhoods often need a panel replacement for an entry-way or circulator street, a new storm drain inlet, cleaning or re-grading of an open ditch (i.e., important yet smaller street and drainage projects where everything else typically included in an NSR, such as new water and sanitary sewer mains, drainage, curbs and gutters, sidewalks, and street lights do not meet established benefit/cost criteria). Accordingly, as opposed to a specific maximum or minimum allocation to local/collector streets or thoroughfares, the Rebuild Houston Advisory committee would recommend utilizing your **administrative authority** to achieve the following:*

- *Spending the 25% maximum on maintenance/repair. PWE is only spending approximately 15% on maintenance/repair. The additional 10% would address many of the entry-way or circulator issues that drive constituent complaints.*
- *Improve the drainage utility fee collection rates. As of March 31, 2014, drainage utility fee collection collections were 85.87%. The City can do better. PWE needs to develop a specific plan to achieve an overall collection rate of 95% (the annual/bi-monthly account collection rate is 38.93%) which would result in an additional \$11,000,000 of annual collections.*
- *Direct maintenance/repair funds and increased collections to systematic programs geared toward solving specific district issues. This would include (i) allocating more rehab (panel replacement) funds, (ii) proactively programming pothole, open ditch maintenance and re-grading and storm sewer maintenance as opposed to only responding to 311 calls and (iii) increased intersection traffic light signalization and timing and other repair and maintenance items.*
- *Programming city-accepted alleys and public curbing (esplanades). Proactively programming city-accepted alleys and public curbing (including esplanades) which would provide the range of maintenance (and rehab) services such as panel replacement, overlay and pothole repair, as opposed to only responding to 311 calls.*

- Scheduling asphalt overlays and concrete panel replacements. *Ensure that PWE personnel responsible for scheduling asphalt overlays and concrete panel replacements are fully integrated into the Rebuild Houston program and adhere to process manual standards and processes. In reviewing this issue, it appears that a number of the highest need areas based on road quality (PCR) were already either overlaid or were in the process of being rehabilitated.*
- Review Pre-engineering budget. *Based on the lessons learned over the past two years, PWE should adopt “best practices” and initiate a pre-engineering needs assessment of major thoroughfares and local/collector streets in an effort to independently identify priority projects in concert with district council members. Consideration should be given to streets in areas of intense economic activity, areas experiencing extreme gridlock and major employment/activity centers. The primary objective would be delivering drivable streets, now.*

RHAC Recommendations:

Overall Objective for Rebuild Houston. First and foremost, three years into the program, we still don’t have an overall or clearly defined objective for Rebuild Houston. And more importantly we can’t say with certainty whether the FY 2015 to 2024 “5+5 CIP Plan” gets us closer to that objective, or not. The committee recommends PWE staff be directed to work with the committee in formulating “a well thought out, clearly defined objective for Rebuild Houston.”

Community Engagement. The committee recommends PWE staff be directed to work with the committee in formulating “an effective community engagement and information plan.” This would include developing tools that effectively explain how PWE operates, more effective community engagement and addressing constituents’ lack of understanding of PWE’s process for managing how an initial call for service translates into a specific project. Lacking that understanding, constituents’ concerns are further manifested when they see no immediate benefit from Rebuild Houston in terms of their specific street, their neighborhood and/or the thoroughfares they frequent.

Regional Detention. The committee recommends PWE staff be directed to work with the committee in formulating “an effective and comprehensive regional detention plan and funding therewith.” In many parts of Houston the problem with drainage is not so much the ability to effectively collect the water at the neighborhood level, it is conveying it to the bayou or tributary distribution system; especially when the distribution system reaches full capacity. Detention does not necessarily have to involve large regional detention sites. We need to closely examine current detention capacity and identify adequate regional detention in all watersheds throughout the city. With the new proposed rules under Chapter 9 of the Infrastructure Design Manual, there are going to be many small single family residences that will now be required to put detention on their property. Solutions might include (i) allowing developers to “buy in” through payment in lieu of detention, (ii) recognition that areas experiencing major development activity will require higher land acquisition cost, (iii) the need for a public-private venture or “land bank”, (iv) creating a system that would allow developers in specific areas to fund oversized storm drains for in-place detention or add box-culverts under the new roads (which would be more desirable than small detention ponds on each property), (v) seeking capacity on utility easements, or by providing more detention under parking lots and (vi) increase the credit that low impact “green” developments

receive under Rebuild Houston which would create better incentives for low impact development by making them more economically feasible.

Allocation of DDSRF Funding. While the Rebuild Houston Advisory committee takes no formal position on CMs Davis and Costello’s amendment reducing the current drainage utility fee fund balance, we do recommend shifting to a cash balance base of accounting for CIP appropriation purposes. We now have three years of DDSRF collection history. Monthly collections are averaging slightly less than \$10 million per month. CIP projects are typically completed over 18 to 24 months. Construction costs in the Houston region have increased in excess of 30% (in real terms) in the past few years. PWE should allocate funding on a quarterly basis based on actual sources of funds taking into consideration specific uses. Allocating funding for projects on a quarterly basis would more evenly match uses (project costs) with sources of funds (monthly collections and current reserves).

Administrative Cost Benchmark. One the major concerns about Rebuild Houston has been the administrative costs associated with the program. The committee recommends PWE staff be directed to work with the committee in formulating “*a specific, measurable cost benchmark.*”

Project Reports. The committee recommends PWE staff be directed to work with the committee in formulating “*specific reports including a jobs in progress report and other progress reports as necessary for the committee to properly discharge its responsibilities.*”

Rebuild Houston Advisory Committee Members

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The committee would also like to thank CMs Costello, Davis, Green and PWE staff for their assistance with our analysis and participation in our deliberations and discussions.