



HARRIS COUNTY

BUDGET MANAGEMENT DEPARTMENT

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Recommendation

It is recommended that Commissioners Court authorize the Budget Management Department to implement an updated financial framework, described below, to fund 100% of the Road & Bridge Subdivision Drainage Program in the 2018 Flood Control Bond Program.

Overview of Subdivision Program

The Harris County Road & Bridge Subdivision Drainage Program (Subdivision Program) is a critical part of the 2018 Flood Control Bond Program. The Subdivision Program consists of 91 projects which, according to HCFCD estimates, reduce the risk of flooding to more than 45,000 homes. The projects benefit neighborhoods with outdated drainage infrastructure or which never had modern drainage systems in the first place. Furthermore, multiple projects are located in watersheds that have been historically disadvantaged in securing federal funds for flood control. According to the Office of the County Engineer, the Subdivision Program has a current estimated total cost of \$535 million (or ~\$590 million including an approximately 10% contingency). Exhibit 1 contains a list of the Subdivision Program Projects.

Objectives

- Backstop funding for 100% of the projects, removing the risk that partner funding shortfalls prevent projects from being completed.
- Deliver near-term successes and protection while the Flood Control District continues execution on multi-year channel projects.
- Allow projects with mature or advanced partner funding opportunities to pursue those opportunities for a defined (but not unlimited) period of time.
- Follow prior Commissioners Court actions and guidance that the transfer from HCTRA's 2020 refinancing be dedicated to County infrastructure needs, with an emphasis on flood control.

Description of Framework

1. Deploy previously transferred HCTRA revenues (approximately \$230 million) to the County's Subdivision Program. Each Precinct will be authorized to allocate up to 25% (\$57.5 million) to Subdivision Program projects in the relevant Precinct, accelerating a set of projects to advertise for construction at subsequent Commissioners Court meetings and begin construction in short order.
2. Create a funding facility of \$315 million to backstop partner funding for 100% of the Subdivision Program. The facility would consist of:
 - a. An additional \$180 million of cash transfers from HCTRA, enabled by stronger than forecasted FY2021 financial performance and a revised encumbrance management system for capital projects.
 - b. The \$40 million of Series D-3 road and bridge bonds allocated to the Subdivision Program by Commissioners Court on 03/10/20.
 - c. An additional \$95 million of road and bridge bonds which have not yet been allocated to any Precinct or County Department.

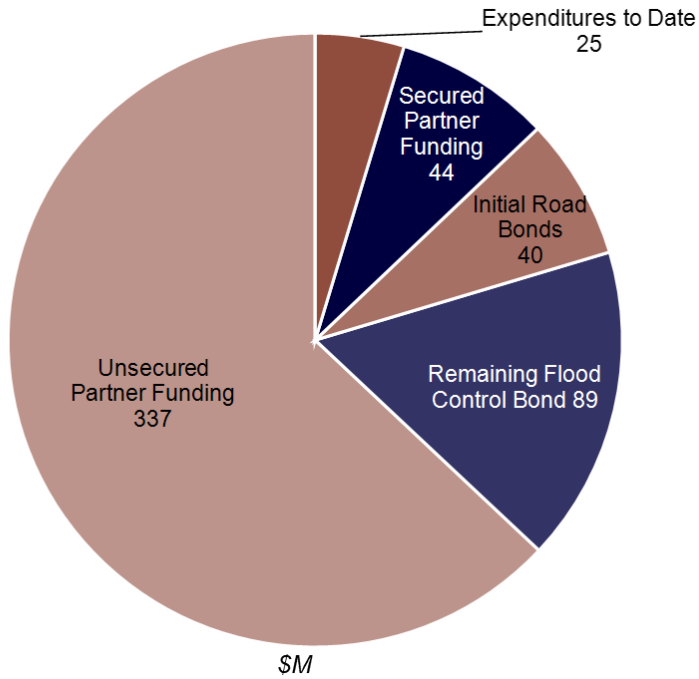
Any Subdivision Program project costs that have not received a notice or award of partner funding by August 31, 2021, would be eligible to receive an additional budget from the backstop funding facility. It is anticipated that the Precincts, County Engineer, Flood Control District, and Budget Management Department would collaborate to maximize project eligibility for partner funding.

3. Reinvest the Flood Control Bond funding that was previously programmed for the Subdivision Program (approximately \$115 million) as funds for the overall 2018 Flood Bond Program, so that the lack of available partner funding does not stall projects which are prioritized by the County's equity-based, *Worst-First* framework.
4. All funds associated with this framework would remain in County accounts to be administered by the Budget Management Department in accordance with County policy and procedures and Commissioners Courts approval of budget transfers.
5. A Partnership Agreement among Harris County, the Harris County Flood Control District, and the relevant utility district(s) will be required prior to any Subdivision Program project seeking authorization to bid for construction.
6. If any Precinct is ultimately unable to spend their entire \$57.5 million allocation on the Subdivision Program, their remaining funds from the \$57.5 million allocation will be spent on eligible Flood Control Bond Program projects with a transportation nexus, as determined by Commissioners Court and the financing plan for the 2018 Flood Bond Program to be delivered in June 2020.

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Comparison of Updated Framework vs. Prior Framework

CURRENT FRAMEWORK - \$535M



UPDATED FRAMEWORK - \$535M + 10% CONTINGENCY

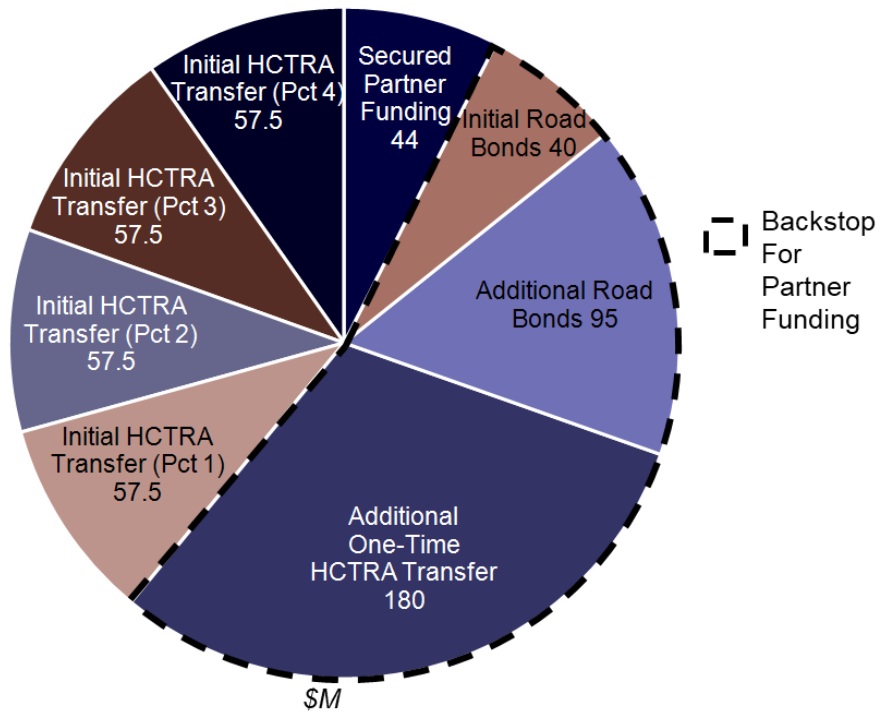


Exhibit 1: Harris County Road & Bridge Subdivision Drainage Program Project List

This document provides a list and summary of all subdivision projects within the Harris County Road & Bridge Subdivision Drainage Program in the 2018 Flood Control Bond Program

TOTAL: 91 projects at \$534.5M estimated cost

Breakdown by precinct

Pct 1	23 projects	\$203.5M estimated cost
Pct 2	19	\$97.7M
Pct 3	34	\$168.8M
Pct 4	18	\$64.5M

Precinct 1

- Airline Estates and Blue Bell
- Almeda Heights
- Beaumont Place Ph 1
- Beaumont Place Ph 2
- Evergreen Villas
- Fallbrook, Ridgepoint, and Westpoint
- Fountainview
- Hidden Meadow
- Houmont Park
- Humble Road Place & Parkland Estates
- Kingslake Forest
- Long Play
- Meadow Lake Tract A
- North Forest
- Northfield Place
- Oak Glen Place
- Parkway (Mobile Homes)
- Parkway Forest
- Pine Trails
- Ralston Acres
- Sierra Ranch and Stonefield Terrace Sec 3
- Skeetville
- Tidwell Lakes

Note: Fallbrook, Ridgepoint, and Westpoint spans Precincts 1 & 4. Humble Road Place & Parkland Estates spans Precincts 1 & 4. Oak Glen Place spans precincts 1 & 2.

Precinct 2

- Aldine Village
- Apache Land
- Barrett Station (Phase 1 - Dreamland Place)
- Barrett Station (Phase 2 - Barrett Settlement & St. Charles Place)
- Baybrook & Seascape
- Castlewood Addition Secs 3 and 4
- Cedar Bayou Park East and West
- Creel Country Estates
- Crosby Township/MUD
- Eastex Freeway Secs 3 & 4
- El Lago
- Forest Manor Secs 1& 2 and Lake Houston Woodland Terrace
- High Meadows and Fairgreen
- Highland Ridge and Highland Estates
- Miramar
- Oak Glen Place
- Sterling Forest
- Todville Road Bridge & Related Infrastructure
- Western Homes Addition

Note: Oak Glen Place spans precincts 1 & 2.

Precinct 3

- Aberdeen Green
- Barwood
- Bernadine Estates & Tower Oaks Sec 3
- Canyon Village At Cypress Springs
- Cimarron & Creekstone Combined
- Coles Crossing
- Copperfield Southdown Village Sec 1
- Cypress Creek Estates
- Cypress Crossing Mobile Home Park
- Dowdell Woods U/R (William Dowdell Rd)
- E-132-00-00 Mitigation Project
- Emerald Forest - Brandywine
- Emerald Forest - Cypress Place Phase I
- Emerald Forest - Cypress Place Phase II
- Emerald Forest - Mossy Oaks
- Kolbe Road & Related Infrastructure
- Memorial Parkway
- Northlake Forest
- Prado Woods
- Ravensway
- Ravensway South
- Riata Ranch and Barker Lake
- Riata West
- Roland Road & Related Infrastructure
- Stone Gate & Canyon Green
- Stone Ridge
- Tall Pines Addition
- Timberlake Estates
- Tower Oaks Meadows
- Tower Oaks Plaza
- Westfield Pines & Village
- Westgate U/R
- Wortham Estates (Regional Project)
- Wortham U/R

Precinct 4

- Bear Creek Village
- Fallbrook, Ridgepoint, and Westpoint
- Forest Shadows
- Fountainhead Sec 2
- Foxwood
- Hearthstone Group
- Humble Road Place & Parkland Estates
- Lynwood Estates
- Meadow Hill Run
- Memorial Hills
- Norchester
- North Park Forest
- Northern Point
- Prestonwood Forest
- Rock Creek
- Sandpiper/Sandpiper Village
- Sawmill Ranch
- Spring Cypress at Louetta Apartments (Sovereign Spring Cypress Apartments)

Note: Fallbrook, Ridgepoint, and Westpoint spans Precincts 1 & 4. Humble Road Place & Parkland Estates spans Precincts 1 & 4.