



DRAINAGE IMPACT FEE STUDY UPDATE

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PURPOSE

together we create a strong foundation
for Houston to thrive

5 TO THRIVE VALUES

respect | ownership | communication | integrity | teamwork



SERVICE LINES



**CAPITAL
PROJECTS**



**CUSTOMER
ACCOUNT
SERVICES**



**HOUSTON
PERMITTING
CENTER**



**HOUSTON
WATER**



**TRANSPORTATION
AND DRAINAGE
OPERATIONS**

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PUBLIC INFRASTRUCTURE



**FIRE
HYDRANTS**

**BUILDING
PERMITS**

**STREETS &
MARKINGS**

MANHOLES

**STREET
SIGNS**

**TRAFFIC
SIGNALS**

**STORMWATER
DRAINAGE**

**WASTEWATER
LINES**

**WATER
LINES**

HOW IS THE DEVELOPER DRAINAGE IMPACT FEE RELATED TO THE DRAINAGE UTILITY CHARGE?

- The Drainage Utility Charge applies to all benefited property within the City's drainage service area and is paid on a monthly basis for the cost of providing drainage services;
- The Developer Drainage Impact Fee is a **one-time fee, paid only by new development that results in an increase to the amount of impervious area**, to share in the cost of capital improvements attributable to new development.



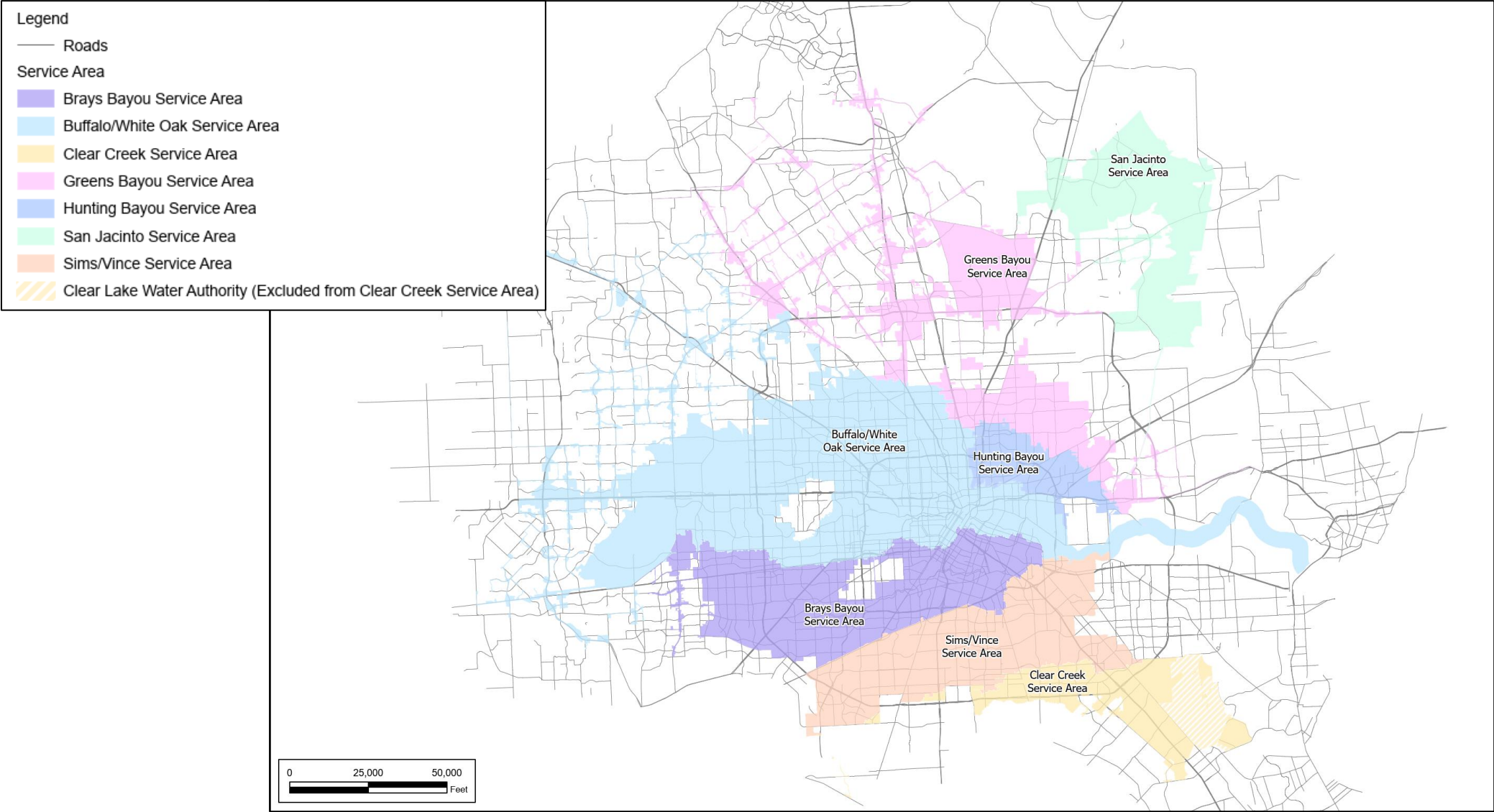
WHY IS HOUSTON UPDATING IMPACT FEES?

The City's Drainage Impact Fee was implemented in 2013. Chapter 395 of the Texas Local Government Code requires regular updates to impact fees.

IMPACT FEE STUDY

- Chapter 395 of the Local Government Code requires that impact fees be calculated based upon land use assumptions that forecast incremental new demand over the next ten-year period and the capital costs associated with providing service to that new demand.

IMPACT FEE COMPONENTS: SERVICE AREAS



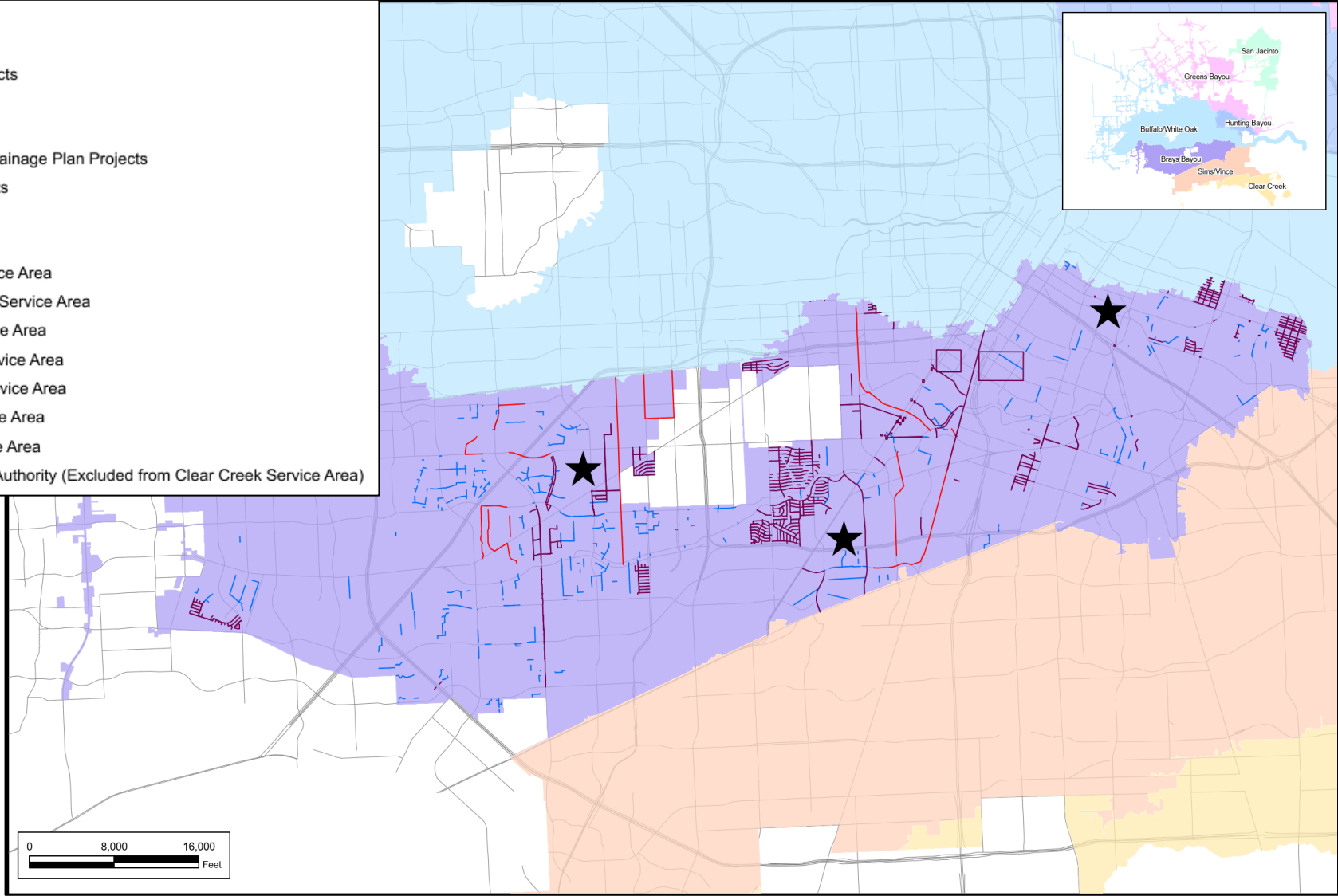
IMPACT FEE COMPONENTS: DRAINAGE IMPACT FEE IMPROVEMENT PLAN (DIFIP)

Legend

- ★ Regional Projects
- 2022 CIP Projects
- Comprehensive Drainage Plan Projects
- 2022 DIFIP Projects
- Roads

Service Area

- Brays Bayou Service Area
- Buffalo/White Oak Service Area
- Clear Creek Service Area
- Greens Bayou Service Area
- Hunting Bayou Service Area
- San Jacinto Service Area
- Sims/Vince Service Area
- Clear Lake Water Authority (Excluded from Clear Creek Service Area)



IMPACT FEE COMPONENTS: IMPACT FEE CALCULATION

Impact Fee Rate Setting

1. Engineer provides the **total cost attributable to ten-year growth**
2. Credit calculations discount the maximum allowable impact fee, reducing it to the **maximum *assessable* impact fee**
3. City Council establishes the actual fees to be assessed

IMPACT FEE COMPONENTS: IMPACT FEE CALCULATION

| SERVICE AREA | TOTAL DIFIP COST ATTRIBUTABLE TO 10-YEAR GROWTH | MAXIMUM ASSESSABLE FEE PER SERVICE AREA (50% CREDIT) | NUMBER OF SERVICE UNITS | MAXIMUM ASSESSABLE IMPACT FEE |
|--------------------|---|--|-------------------------|-------------------------------|
| Brays Bayou | \$264,040,531 | \$132,020,266 | 187,847.42 | \$702.81/SU |
| Buffalo/ White Oak | \$381,250,921 | \$190,625,461 | 481,222.68 | \$396.13/SU |
| Clear Creek | \$21,833,629 | \$10,916,815 | 26,811.25 | \$407.17/SU |
| Greens Bayou | \$109,646,740 | \$54,823,370 | 74,746.18 | \$733.46/SU |
| Hunting Bayou | \$20,687,331 | \$10,343,666 | 13,293.06 | \$778.13/SU |
| San Jacinto | \$43,008,324 | \$21,504,162 | 110,412.11 | \$194.76/SU |
| Sims/ Vince | \$90,882,285 | \$45,441,143 | 86,482.95 | \$525.43/SU |

PROPOSED DRAINAGE IMPACT FEE

| SERVICE AREA | PROPOSED FEE* |
|--------------------|---------------|
| Brays Bayou | \$25.00/SU |
| Buffalo/ White Oak | \$25.00/SU |
| Clear Creek | \$25.00/SU |
| Greens Bayou | \$25.00/SU |
| Hunting Bayou | \$25.00/SU |
| San Jacinto | \$25.00/SU |
| Sims/ Vince | \$25.00/SU |

* Effective July 1, 2023. Annual inflation adjustment to resume July 1, 2024, in accordance with Sec. 47-884.

thank you!



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DRAINAGE IMPACT FEE COMPARISON

| SERVICE AREA | CURRENT FEES (as of 7/1/2022) | PROPOSED FEE |
|-------------------|----------------------------------|--------------|
| Brays Bayou | \$11.00/SU | \$25.00/SU |
| Buffalo/White Oak | \$20.88/SU | \$25.00/SU |
| Clear Creek | \$0.50/SU | \$25.00/SU |
| Greens Bayou | \$17.09/SU | \$25.00/SU |
| Hunting Bayou | \$13.05/SU | \$25.00/SU |
| San Jacinto | \$0.00/SU | \$25.00/SU |
| Sims/Vince | \$22.59/SU | \$25.00/SU |

EXAMPLE IMPACT FEE COSTS*

| DEVELOPMENT EXAMPLE* | CURRENT FEES (VARY BY WATERSHED) | PROPOSED FEE (\$25.00/SU) |
|--|----------------------------------|---------------------------|
| Single Family - New Development (1.8 SU) | \$1 – 40 | \$45.00 |
| Single Family - Redevelopment (0.25 SU) | \$0 – 6 | \$6.25 |
| Multifamily - New Development (160 SU) | \$80 - \$3,600 | \$4,000.00 |
| Commercial - New Development (320 SU) | \$160 - \$7,300 | \$8,000.00 |
| Industrial/Distribution - New Development (1,750 SU) | \$900 - \$40,000 | \$43,750.00 |

*Assessed Fees will vary based on actual service units (1 service unit/SU = 1,000 square feet of additional impervious cover) and applicable exemptions or deductions.

IMPACT FEE COMPONENTS

Land Use Assumptions (Growth)

IMPACT FEE COMPONENTS: LAND USE ASSUMPTIONS

| SERVICE AREA | YEAR | TOTAL AREA (AC) | IMPERVIOUS AREA (AC) | HGAC PROJECTIONS | |
|--------------------|------|-----------------|----------------------|------------------|-----------|
| | | | | Households | Jobs |
| Brays Bayou | 2022 | 63,107 | 35,266 | 284,576 | 510,444 |
| | 2032 | | 39,578 | 320,263 | 568,300 |
| | 2045 | | 49,331 | 419,152 | 605,883 |
| Buffalo/ White Oak | 2022 | 154,982 | 72,211 | 462,653 | 1,016,579 |
| | 2032 | | 83,258 | 537,633 | 1,158,915 |
| | 2045 | | 96,486 | 637,674 | 1,297,119 |
| Clear Creek | 2022 | 25,427 | 8,787 | 36,387 | 43,883 |
| | 2032 | | 9,412 | 40,213 | 46,008 |
| | 2045 | | 9,776 | 41,433 | 48,032 |
| Greens Bayou | 2022 | 62,916 | 26,853 | 80,746 | 160,770 |
| | 2032 | | 28,569 | 87,739 | 169,651 |
| | 2045 | | 31,382 | 94,532 | 187,753 |

IMPACT FEE COMPONENTS: LAND USE ASSUMPTIONS

| SERVICE AREA | YEAR | TOTAL AREA (AC) | IMPERVIOUS AREA (AC) | HGAC PROJECTIONS | |
|---------------|------|-----------------|----------------------|------------------|---------|
| | | | | Households | Jobs |
| Hunting Bayou | 2022 | 15,164 | 7,606 | 21,086 | 34,448 |
| | 2032 | | 7,911 | 21,674 | 35,974 |
| | 2045 | | 8,374 | 22,058 | 38,573 |
| San Jacinto | 2022 | 42,769 | 7,958 | 34,242 | 25,316 |
| | 2032 | | 10,493 | 42,613 | 34,604 |
| | 2045 | | 11,845 | 48,572 | 38,835 |
| Sims/ Vince | 2022 | 55,481 | 23,156 | 104,745 | 97,272 |
| | 2032 | | 25,142 | 111,648 | 106,982 |
| | 2045 | | 30,943 | 138,530 | 130,926 |