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### Frequently Asked Questions

Flood Legislation from the 86th Texas Legislative Session

9/13/19

For the latest information on flood financial assistance and planning programs, visit <u>www.twdb.texas.gov/flood/index.asp</u>.

### 1. Q: What is the Texas Water Development Board (TWDB)?

A: The Texas Water Development Board (TWDB) is a state agency formed in 1957 in response to Texas' record-breaking drought. Prior to the most recent legislative session, the agency had three main responsibilities: assisting with regional water planning and preparing the state water plan every five years; collecting, analyzing, and distributing water-related and geographic data; and providing loan and grant money for Texas water, wastewater, and flood projects. As a result of the 2019 legislative session, however, the TWDB's flood programs have significantly expanded.

Discussions with stakeholders and the legislature regarding the need for a strategic document to identify solutions addressing statewide flood risks began in summer 2016. In 2017, the 85th Legislature subsequently provided funding for the TWDB to conduct a statewide survey to better understand flood planning and mitigation needs. This work culminated in the agency's publication of a first-ever <u>State Flood Assessment</u> in January 2019, available online at <u>www.texasfloodassessment.com</u>.

Continuing this work, the 86th Legislature recently charged the TWDB with creating the state's first state flood plan, to be adopted in 2024, and implementing two new funds, the Flood Infrastructure Fund (FIF) and the Texas Infrastructure Resiliency Fund (TIRF). Over the next year, the agency will also expand its existing flood-related programs, including floodplain mapping and development of an online dashboard of flood- and water-related information. As part of this effort, the TWDB will also establish a clearinghouse of information about state and federal flood planning, mitigation, and control programs that may serve as sources of funding for flood projects.

### 2. Q: What is the state flood plan?

**A:** The state flood plan will be the product of a comprehensive effort intended to better manage flood risks, including providing greater protection for Texans against loss of life

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To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

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and property from flooding. The plan will focus on evaluating existing flood infrastructure and will include a statewide, ranked list of ongoing and proposed flood control and mitigation projects and strategies. The plan will also include an analysis of development in the 100-year floodplain, which is defined by the Federal Emergency Management Agency (FEMA). In addition, the plan will recommend legislative policy changes needed to facilitate planning and project implementation. The first plan is due on September 1, 2024, with later plans due every five years thereafter.

Similar to Texas' state water supply planning process, the state flood plan will be based on regional flood plans developed by local stakeholders representing diverse interests. As a state agency, we are required to develop rules by which we will administer new programs. During the "rulemaking" process for flood planning, the TWDB will designate planning regions corresponding to river basins.

A large part of the state flood planning effort will include developing models and other technical tools that will assist local decision makers in evaluating potential solutions to flood issues.

### 3. Q: What is the Flood Infrastructure Fund (FIF)?

**A**: The FIF is to be created as a fund that could provide grants and low-cost loans for drainage, flood mitigation, and flood control projects, provided that voters approve a supporting constitutional amendment on November 5, 2019. The constitutional amendment (Proposition 8 on the ballot) directs the TWDB to use money in the fund for these purposes.

#### 4. Q: Where will the money for the FIF come from?

A: The legislature has authorized a one-time, \$793 million transfer from the Economic Stabilization Fund (also known as the Rainy Day Fund). The FIF is designed to make the implementation of drainage and flood projects more affordable and to meet immediate needs for funding.

#### 5. Q: What will the state flood plan and the FIF do for Texas, and why do we need them?

A: Nearly every Texan faces some level of risk related to flooding. Texas' population is projected to increase from 29.7 million people in 2020 to 42.3 million by 2050, and much of this growth will occur upstream and downstream of major metropolitan areas. According to the *2019 State Flood Assessment*, at least 2.8 million people (11 percent of Texas' population) are exposed to high or moderate flood risk from rivers. The state flood plan will be designed to help communities better manage these risks, including providing greater protection for Texans against loss of life and property from flooding.

The funds dedicated for the FIF would help communities implement cost-effective drainage and flood projects. By providing cost-effective financing options for drainage and flood projects, the fund could provide the economic opportunity for communities to



overcome cost hurdles. The costs associated with these types of projects can often make them difficult for some communities to implement. This financial assistance could also enable local communities to have expedited access to funding to begin needed projects.

# 6. Q: How would the FIF be used to mitigate flooding, and what types of projects would it support?

**A:** Political subdivisions of the state—cities, counties, river authorities, and other districts—that work together cooperatively to develop solutions to address drainage and flood issues could use the funds toward those efforts.

The public rulemaking process for the FIF will consider what types of flood projects will be eligible for funding. Both structural (e.g., levees and channels) and non-structural (e.g., wetlands and elevation) projects will be eligible for financial assistance.

After the first state flood plan is adopted in 2024, the fund by law may only be used to provide financing for projects included in the state flood plan.

## 7. Q: Will the state flood plan and the FIF help all of Texas or just those impacted by Hurricane Harvey?

**A:** The state flood plan and the FIF are intended to help the entire state plan and prepare for future flood events, not just areas of the state that were impacted by Hurricane Harvey or other disasters. The FIF includes a provision for grants to communities that are outside of large urban areas (also known as Metropolitan Statistical Areas).

The FIF constitutional amendment (Proposition 8) is not related to the \$2.5 billion flood funding passed in Harris County in 2018.

# 8. Q: Will the state flood plan and the FIF support non-structural flood mitigation projects?

**A:** Yes, both non-structural and structural projects will be eligible for funding from the FIF and may be included in the regional and state flood plans. The Texas Legislature recognizes that all tools must be available to decision makers to mitigate flood risks.

In Texas (and elsewhere) many communities already use some combination of both structural and non-structural mitigation activities to protect against flooding disasters. Structural mitigation can include levees, dikes, floodwalls, dams, culverts, and detention and retention basins. Major structural projects generally require more funding, time, and effort to complete due to regulatory requirements, their multi-jurisdictional nature, and project scale.

Non-structural mitigation can include education and training; local mitigation plans; early warning systems; restoration and conservation of wetlands, forests, and open space; feasibility, design, and engineering studies; and policy and regulatory activities such as setbacks, building codes, and zoning ordinances. Participation in the National Flood Insurance Program is also considered a non-structural mitigation activity.



### 9. Q: Could the FIF be used to build flood mitigation reservoirs?

**A:** Because dams and reservoirs can be considered structural flood control strategies, they could be eligible for financial assistance from the FIF if they provide a flood control benefit, meet all application requirements, and are developed through a cooperative planning process (prior to adopting the state flood plan in 2024) or identified in the state flood plan (after the adoption of the first plan).

## 10. Q: What is the difference between a flood control or mitigation project and a water supply project that is in the state water plan?

A: Flood mitigation projects tend to focus on avoiding or reducing the negative impacts from flood water during and shortly after high rainfall events. Water supply projects focus on providing reliable water supply throughout periods of extremely low rainfall. A potential project that would capture flood water and store it to be used later for water supply could be evaluated as part of water supply planning.

### **11.** Q: What will happen if the FIF is not created?

A: If the constitutional amendment (Proposition 8) is not approved by voters on November 5, 2019, the FIF will not be created as a special fund outside of the general revenue fund. Creating the fund outside the general revenue fund ensures that money in the FIF will be dedicated for the same purpose in future state budget cycles.

#### 12. Q: Will the state flood plan produce Flood Insurance Rate Maps (FIRMS)?

A: No, the state flood plan and the FIF will not produce new FIRMS. FIRMS are official maps approved by FEMA that delineate special insurance-related flood hazard areas and risk zones within communities. Activities conducted to produce FIRMs follow a four-phase process according to FEMA's guidelines and standards and typically take a minimum of five years to complete.

However, modeling and other technical activities that will support development of the state flood plan will result in tools and preliminary maps that could be used by communities to support and complement FEMA's existing process for producing updated FIRMs.

### 13. Q: How would the FIF funds be disbursed?

**A:** Communities and other eligible entities would apply for financial assistance, and the TWDB would evaluate projects according to specific application requirements. Funds would be disbursed for projects that meet all requirements, rank within the amount of funds available, and receive a formal commitment from the TWDB's governing Board.



### 14. Q: What is the Texas Infrastructure Resiliency Fund (TIRF)?

A: The legislation that created the FIF also created the TIRF. The 86th Texas Legislature appropriated funds to the Floodplain Management Account within the TIRF to support the development of the first state flood plan. Funds were also appropriated to the Hurricane Harvey Account within the TIRF; the TWDB will provide these funds to the Texas Division of Emergency Management so that the Division can provide financing for projects related to Hurricane Harvey.

# **15.** Q: What is the timeline for implementing the flood legislation from the 86th Texas Legislative Session?

**A:** The TWDB has begun a rulemaking process to implement the state flood plan, the FIF, and the TIRF, and we will be contacting stakeholders in the months to come. We will be holding stakeholder workshops in a number of locations around the state in August, and there will be an opportunity to review and comment on proposed rules when they are published this fall. We anticipate that the TWDB's governing Board will adopt final rules by early 2020.

In addition, we anticipate that the regional flood planning process will be developed and initial regional flood planning groups formed by mid-2020.

#### 16. Q: When will funding from the FIF be available?

A: Funding could be available as early as the first quarter of 2020 if Texas voters approve a constitutional amendment (Proposition 8) establishing the fund. The TWDB will begin to implement the new program as soon as funding is available and the TWDB's governing Board has adopted rules.

In the meantime, entities may be eligible for financial assistance for flood projects through other TWDB, state, or federal financial assistance programs. Please contact us for more details.

### 17. Q: Who should we contact for more information?

A: Please contact <u>flood@twdb.texas.gov</u> or (512) 463-8725.