

STATE OF TEXAS



Intended Use Plan

Flood Infrastructure Fund

www.twdb.texas.gov/financial/programs/FIF



SFY 2026–27

TEXAS WATER DEVELOPMENT BOARD
PO BOX 13231 ■ AUSTIN, TX 78711

2026-27 Flood Infrastructure Fund Intended Use Plan

Contents

Program Overview.....	4
Significant Program Changes	4
Eligible Applicants.....	5
Eligible Projects	5
Planning Phase Activities.....	5
Construction/Rehabilitation Phase Activities.....	5
Non-Structural and Nature-Based Solution Activities	6
Other Eligible Activities	6
Financial Assistance Categories.....	6
Flood Management Evaluation Category.....	6
Flood Mitigation Project Category	7
Flood Management Strategy Category	7
Federal Award Matching Funds	7
United States Iron and Steel Requirement.....	7
Minimum Standards	8
Additional Requirements and Exceptions for Flood Management Evaluation Category	10
Additional Coordination and Planning Requirements for Water Conveyance Projects.....	11
2026-27 Project Solicitation.....	11
Process	11
<i>Step 1: Submit Abridged Application</i>	11
<i>Step 2: Project Prioritization</i>	11
<i>Step 3: Invitation to Apply</i>	12
<i>Step 4: Financial Assistance Commitments</i>	12
<i>Step 5: Close on Financial Assistance</i>	12
Abridged Applications.....	12
Year-Round Submittals.....	13
Prioritization and Selection Process.....	13
Prioritization Criteria.....	13
Eligibilities, Financing Details, and Grant Qualifiers by Category	15
Flood Management Evaluation Category.....	15
<i>Eligibility</i>	15

2026-27 Flood Infrastructure Fund Intended Use Plan

<i>Financing</i>	15
Flood Mitigation Project Category	16
<i>Eligibility</i>	16
<i>Financing</i>	16
Flood Management Strategy Category	17
<i>Eligibility</i>	17
<i>Financing</i>	17
Amount Available	19
Limits and Funding Caps	19
Allocations of Funds.....	19
Financing Terms.....	20
Release of Funds – Outlays, Escrow Releases, and Other Methods of Disbursements.....	20
Appendix A: 2024 State Flood Plan Flood Management Evaluation (FME), Flood Mitigation Project (FMP), and Flood Management Strategy (FMS) Ranking Criteria and Weight	22
Attachment 1: Examples of Grant Percentage Calculation for Each Category	23
Attachment 2: Project List	24

2026-27 Flood Infrastructure Fund Intended Use Plan

Program Overview

During the 88th Legislative Session, Senate Bill 30 appropriated more than \$624 million from the general revenue fund to the Flood Infrastructure Fund (FIF) program. The Texas Water Development Board (TWDB) anticipates utilizing at least \$312.4 million during the 2026-27 biennium (SFYs 2026-27) to assist communities in implementing eligible flood projects.

The FIF program provides financial assistance for a broad range of drainage, flood mitigation, and flood control projects, including:

- planning and design activities;
- work to obtain necessary regulatory approvals;
- construction and/or implementation of flood projects; and
- construction of multi-purpose flood mitigation and drainage infrastructure projects that control, divert, capture, or impound floodwater, stormwater, agricultural runoff water, or treated wastewater effluent and treat and distribute the water for the purpose of creating an additional source of water supply.

Administrative rules governing flood mitigation project funding are located in [31 Texas Administrative Code \(TAC\) Part 10, Chapter 363](#). This Intended Use Plan (IUP) establishes eligibility criteria, structure of financial assistance (including subsidies), and the prioritization criteria used by the Executive Administrator in making recommendations to the Board.

For additional project-specific guidance, applicants should consult the [FIF Program Guidance](#).

Significant Program Changes

The following highlights the significant program changes from the previous FIF IUP.

1. Removal of the Benefit Cost Analysis (BCA) from the Minimum Requirements section. Flood Mitigation Projects (FMPs) are no longer required to submit the BCA with the abridged application or during project implementation.
2. Requirements for Flood Management Evaluations (FMEs). The notice requirements in accordance with 31 TAC § 355.8 only apply to FME Category projects that are funded under the Research and Planning Fund. FME projects funded directly from FIF are not subject to the notice requirement.
3. Additional coordination and planning requirements for water conveyance projects as outlined in Senate Bill 7 (89th Texas Legislature).
4. No single entity will be able to receive financial assistance for more than two abridged application requests within a single FIF category. This is to ensure that financial assistance is distributed more broadly. The only exceptions include: (1) federal match projects, and (2) if all other projects on the prioritization list have been invited to submit a full financial application and funds remain.
5. Projects will be prioritized into four project lists: Flood Management Evaluations (FME), Flood Mitigation Projects (FMP), Flood Management Strategies (FMS), and Federal Match.
6. Removal of predetermined funding goals per category. The TWDB will allocate funds after the abridged application submittal deadline and will evaluate and allocate based on the funding requests per prioritization list.
7. The TWDB will initially bypass ranked projects in order to invite at least one project or study from each regional flood planning group within each category, as funding permits.
8. Funding caps will apply to grants, loans, and in-kind funding terms within each category.
9. Grant qualifiers and grant percentage offerings were changed.

2026-27 Flood Infrastructure Fund Intended Use Plan

Eligible Applicants

Political subdivisions are eligible to apply for FIF financial assistance. Specifically, eligible entities include:

- Cities
- Counties
- Districts or authorities created under [Article III, Section 52](#), or [Article XVI, Section 59](#) of the Texas Constitution.

Other political subdivisions and nonprofit water supply corporations formed under Texas Water Code Chapter 67 are eligible **only** for financial assistance under the Flood Management Evaluation (FME) category.

Eligible Projects

The FIF program supports a wide range of flood-related projects. Eligible projects must be Flood Management Evaluations (FME), Flood Mitigation Projects (FMP), and Flood Management Strategies (FMS) recommended in the Board-adopted State Flood Plan, and as amended. Only FMEs, FMPs, and FMSs recommended in an amended Regional Flood Plan approved by the TWDB may submit an abridged application for consideration.

Applicants are encouraged to consult with TWDB staff regarding the eligibility of potential projects. Abridged applications that do not include the whole project approved by the regional flood planning group will be deemed ineligible, except in cases where the project or study has been intentionally structured into multiple components or phases. Refer to the [Prioritization Criteria](#) section for additional details.

Eligible project examples include, but are not limited to, the following:

Planning Phase Activities

- Preliminary engineering (up to 30% design for FMEs)
- Project design
- Feasibility assessments
- Coordination and development of regional projects
- Obtaining regulatory approvals
- Hydraulic and hydrologic studies
- Alternative analyses
- Watershed assessments
- Dam hazard assessments
- Planning activities related to construction or mitigation activities described in later sections

Construction/Rehabilitation Phase Activities

- Drainage infrastructure (e.g., channels, ditches, ponds, pipes, etc.)
- Flood control and flood mitigation infrastructure
- Retention basins
- Detention ponds
- Sustainable infrastructure
- Nonstructural flood mitigation improvements
- Development or amendments to flood-related codes
- Permeable pavement
- Erosion control
- Levees

2026-27 Flood Infrastructure Fund Intended Use Plan

- Pump stations
- Rehabilitation of existing infrastructure taking into consideration methods of improving resiliency (not including costs associated with current or future operations and maintenance activities)
- Property acquisitions when identified as the optimal solution for highest-risk properties
- Restoration of riparian corridors, floodplains, coastal areas, and wetlands
- Natural erosion and runoff control
- Reasonable number of improvements to ancillary systems directly related to the project, as determined by the TWDB
- Flood infrastructure that creates a new source of water supply

Non-Structural and Nature-Based Solution Activities

Eligible nature-based projects include projects that use nature-based features to protect, mitigate, or reduce flood risk, such as:

- Natural or low-impact stormwater infrastructure
- Conservation easements
- Living shorelines
- Protection and restoration of riparian corridors, floodplains, coastal areas, and wetlands

Other Eligible Activities

The financial assistance is also able to support activities that may not traditionally be thought of as flood projects. These include:

- Flood early warning systems
- Stream gages
- Educational campaigns
- Crossing barriers
- Low water crossings

Financial Assistance Categories

Loans and grants, depending on the grant-qualifier eligibility, are offered in the FIF program depending on the activity funded. Eligible activities are organized into the following three categories and federal award matching funds.

Flood Management Evaluation Category

Proposed activities must be a recommended Flood Management Evaluation (FME) in a Regional Flood Plan. Under this category, eligible applicants conduct studies to identify, assess, and quantify flood risk or identify, evaluate, and recommend flood risk reduction solutions. These studies involve planning of entire watersheds or sub-watersheds, as required by the TWDB regional flood planning program, to better inform the development of strategies using structural and nonstructural measures before a flood event. This may include determining and describing problems from or related to flooding, identifying, and planning solutions to flooding problems, and estimating the benefits and costs of these solutions. However, it is required that the area of the entire upstream contributing watershed or sub-watershed to the discharge point of interest is considered when determining solution alternatives for an area identified as being at flood risk or a neighborhood identified with flood loss. A determination of “no negative impact” both upstream and downstream of the project area is also required.

2026-27 Flood Infrastructure Fund Intended Use Plan

All activities under this category must be considered “flood control planning” as defined in Texas Water Code Section 15.405; however, this does not mean all activities listed in that section are eligible under the FME Category. For example, design up to 30 percent is allowed under the FME Category. Full design of engineering plans and specifications would be funded under the Flood Mitigation Projects (FMP) Category. In addition, the FME Category does **not** include the actual preparation of a Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM).

Flood Mitigation Project Category

Proposed activities must be a recommended Flood Mitigation Project (FMP) in a Regional Flood Plan. Under this category, eligible applicants may undertake activities to construct or rehabilitate structural flood mitigation improvements or implement non-structural improvements.

Planning, Acquisition, and Design includes activities related to planning, land acquisition, and/or design of the project. Planning includes feasibility analyses, detailed hydraulic and hydrological studies, activities to obtain regulatory approval, and coordination of other related work.

Construction, Rehabilitation, and Implementation includes construction and rehabilitation activities, but may also include demolition, decommissioning, and other activities not necessarily thought of as construction.

Flood Management Strategy Category

Proposed activities must be a recommended Flood Management Strategy (FMS) in a Regional Flood Plan. An FMS is a flood risk reduction solution idea or strategy that does not belong in FME or FMP categories. This category may include projects that can be implemented quickly and are understood to be immediately effective in protecting life and property. Eligible FMS Category projects include flood early warning systems, crossing barriers, gages, public education and outreach, regulatory enhancements, and development of entity-wide buyout programs.

Federal Award Matching Funds

Grant funds may be provided for a portion of the applicant’s required federal match amount. To be eligible, federal funding must be awarded when the abridged application is submitted to the TWDB. Proposed activities must be a recommended FME, FMP, or FMS in a Regional Flood Plan.

United States Iron and Steel Requirement

For informational purposes to applicants, the United States Iron and Steel (US I&S) requirements in Texas Government Code, Chapter 2252, Subchapter G apply to the FIF. Construction of projects funded through the FIF are required to use iron and steel products made in the United States. However, if the recipient can justify a claim made under one of the following categories, an exemption may be granted. Until an exemption is granted by the TWDB, the recipient must adhere to the US I&S requirements. Please refer to the [US I&S Guidance for Projects Funded Through State Programs Guidance \(TWDB-1105\)](#) for more information.

An exemption may be granted if TWDB determines that:

- Iron and steel products produced in the United States are not produced in sufficient quantities, reasonably available, or of satisfactory quality;
- Use of iron and steel products produced in the United States will increase the cost of the overall project by more than 20 percent; or
- Complying with the US I&S requirements is inconsistent with the public interest.

2026-27 Flood Infrastructure Fund Intended Use Plan

Minimum Standards

Items on this list constitute minimum eligibility criteria that must be met by all projects seeking funding consideration.

1. Required Memorandum of Understanding (MOU)

The MOU requirement was imposed by the Texas Legislature in Texas Water Code § 15.005. The MOU requirement only applies to flood control projects (defined in 31 Texas Administrative Code § 363.402), which include the construction or rehabilitation of structural mitigation or anything that retains, diverts, redirects, impedes, or otherwise modifies the flow of water. The requirement only applies if the project watershed (defined in 31 Texas Administrative Code § 363.402 as the area upstream and downstream substantially affected by the proposed flood project, as documented in the project application, and sealed by a Professional Engineer or Professional Geoscientist) lies partially outside the applicant's boundaries. If the project watershed lies wholly within the applicant's boundaries, no MOU is required. The requirement only necessitates MOUs with "eligible political subdivisions" (as defined in Texas Water Code § 15.531 as a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, a municipality, or a county).

If applicable, the applicant **must** submit an MOU relating to management of the project watershed. If applicable, the MOU must be approved and signed by all governing bodies of eligible political subdivisions located in the project watershed. The applicant must submit either a single MOU that includes all governing bodies of all political subdivisions required to sign or develop individual MOUs with each political subdivision or groups of political subdivisions within the watershed. All the required MOUs must relate to the management of the watershed. If individual MOUs are submitted, they must be consistent in the management of the watershed and cannot conflict on that issue. **This minimum standard on MOUs does not apply to FME Category projects. Although this minimum standard on MOUs does apply generally to the FMS Category, most of those projects will not meet the definition of a flood control project; therefore, this requirement will not apply to most FMS projects.**

For the FMP Category and FMS Category, the following information **is required in the abridged application** to satisfy the MOU requirement, **if applicable**:

- A list of all eligible political subdivisions that will be required to approve and sign an MOU.
- A certification that the applicant has provided a copy of the proposed MOU and an adequately detailed description of the proposed project to all eligible political subdivisions on the list. A copy of a TWDB-approved MOU template is available on the TWDB website. Applicants may also use their own template if approved by the Executive Administrator.
- Map types detailing all proposed project components and all boundaries for cities, districts, etc. within the proposed project watershed area:
 - FMP Category: PDF maps and GIS/KMZ files must be submitted.
 - FMS Category: PDF maps and GIS/KMZ files must be submitted.

For the FMP and FMS Categories, the following information **is required in the complete application** to satisfy the MOU requirement, if applicable:

- An MOU approved and signed by all governing bodies of eligible political subdivisions located in the project watershed. If requested by the applicant and approved by TWDB, this may be submitted after the application due date.

2026-27 Flood Infrastructure Fund Intended Use Plan

2. Affidavit

For all categories, an affidavit attesting that: (1) the applicant has acted cooperatively with other political subdivisions to address flood control needs in the area in which the eligible political subdivisions are located; and (2) all eligible political subdivisions substantially affected by the proposed flood project have participated in the process of developing the proposed flood project. Providing adequate notice and ample opportunity to any such eligible political subdivision that elects not to participate further would also fulfill this requirement, provided evidence of notification is included within the application. What constitutes “adequate” and “ample” may need to be discussed between the applicant and TWDB on a case-by-case basis. The applicant will need to attest to the fact that they provided adequate and ample opportunity to participate by signing the affidavit, so the appropriate representative must believe the notice provided was reasonable in order to sign. Template affidavits are available on the TWDB website.

The following information, if applicable, **is required with the complete application** to satisfy the affidavit requirement:

- The applicant has held public meetings to accept comments on the proposed flood project from interested parties (FMP Category and FMS Category).
- The technical requirements for the proposed flood project have been completed and compared against any other potential flood project in the same area (Construction Only).

3. Redundant Funding

For all categories, the funding request must not include redundant funding for activities already performed and/or funded through another source.

4. National Floodplain Insurance Program

For all categories, the following information **is required with the abridged application** to satisfy the National Flood Insurance Program (NFIP) requirement:

- The area to benefit by the proposed project must have floodplain ordinances or orders in place, as applicable, and the appropriate entity must certify they are currently enforcing floodplain management standards at least equivalent to or exceeding NFIP minimum standards. The only exception to the certification is an entity that is requesting FIF funding to fulfill additional requirements for participation in the NFIP. The TWDB is here to help communities meet the NFIP requirements.
- For the FME Category and FMS Category (e.g., flood early warning system projects), communities without floodplain management standards may be part of a larger study or benefit area. In that case, the applicant will not be required to show/certify that those communities must have floodplain ordinances or orders in place. However, the applicant should work with the TWDB to encourage those communities to adopt floodplain ordinances or orders. Additionally, projects where the applicant itself does not have floodplain management standards are not eligible unless those communities are requesting FIF funds to develop floodplain management standards.

5. Best/Most Recent Available Data

For all categories, the proposed project must be developed using the best/most recent available data. For example, FME Category projects must use the latest freely available topographic data to perform studies. A brief, general description or acknowledgment should be provided in the abridged application and a more detailed description in the complete application.

2026-27 Flood Infrastructure Fund Intended Use Plan

6. Request for Construction Funds

For the FMP and FMS Categories, applicants for construction funds must be able to document the following within the complete application:

- The applicant has planned for operations and maintenance (O&M) costs associated with the proposed facilities. Note: O&M are **not** eligible costs under this program.
- An analysis determining whether floodwater capture techniques could be used for water supply purposes, in accordance with Texas Water Code § 15.535(b). The analysis should demonstrate through engineering, regulatory, or economic approaches by means of a feasibility assessment whether the flood project could include water supply and why the decision was made to include or exclude water supply from the flood project.

Additional Requirements and Exceptions for Flood Management Evaluation Category

In accordance with 31 TAC § 355.8, the notice requirements described in this section apply **only** to the FME Category projects that are funded under the Research and Planning Fund. FME projects funded directly from FIF are not subject to the notice requirement. Accordingly, cities, counties, and districts receiving funding directly from FIF are not subject to this requirement. Applicants that are not eligible to receive funding directly from FIF and therefore require Research and Planning funding, such as Councils of Governments, are subject to this requirement.

For projects subject to this requirement, prior to submission of the complete application, but not prior to the submission of the abridged application, the applicant must notify all cities, counties, non-profit water supply corporations, regional planning agencies, regional water planning groups, and all districts and authorities created under the Texas Constitution, Article III, Chapter 52, or Article XVI, Chapter 59, within the planning area by certified mail that an application for planning assistance is being filed with the TWDB.

The notice shall include:

- Name and address of the applicant.
- Name of the applicant's manager or official representative.
- Brief description of the planning area.
- Purposes of the planning project.
- TWDB's name, address, and the name of a contact person with the TWDB.
- A statement that any comments must be filed with the TWDB Executive Administrator and the applicant within 30 days of the date on which the notice is mailed.

As part of the complete application, and prior to action by the TWDB, the applicant must provide:

- A copy of the notice sent to affected political subdivisions.
- A list of the political subdivisions to which notice was sent.
- The date on which the notice was sent.

An applicant may request approval from the TWDB to submit a copy of the notice after the application due date. If approved, the applicant may submit the notice after the application has been submitted; however, the TWDB may not act on an application prior to the expiration of the 30-day notice period unless all required recipients provide written agreement to waive the notice period.

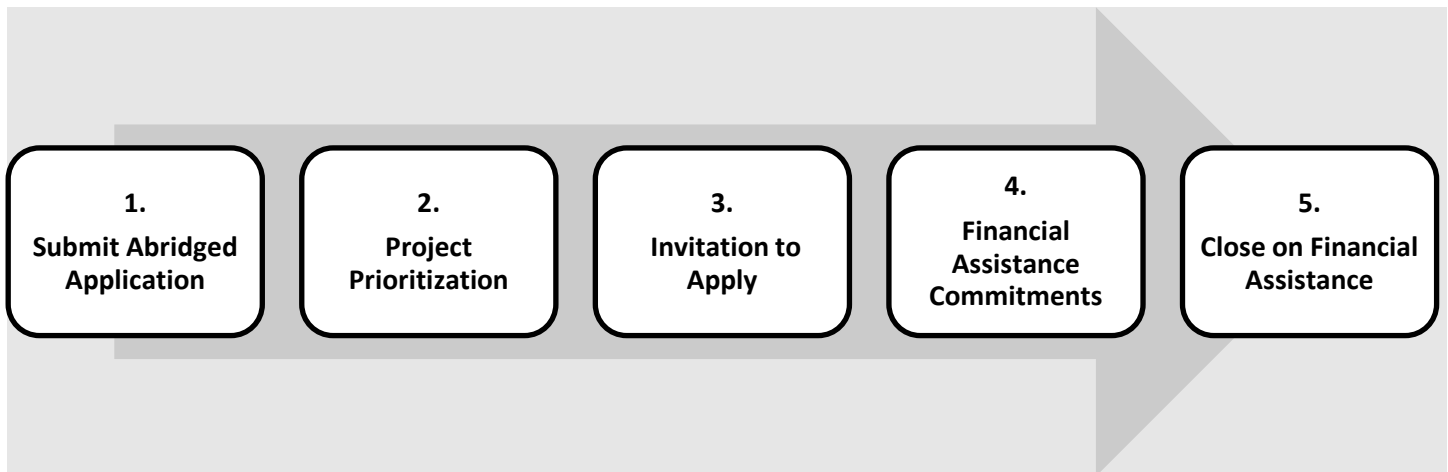
2026-27 Flood Infrastructure Fund Intended Use Plan

Additional Coordination and Planning Requirements for Water Conveyance Projects

In accordance with Senate Bill 7, 89th Texas Legislature, which added Chapter 6, Subchapter H of the Texas Water Code, projects involving the development of infrastructure to transport water that is made available by a water supply development, treatment, or conveyance project, considerations must be included in the project planning phase to reduce the necessity of exercising the power of eminent domain to obtain interest in real property by using existing transportation and utility easements.

2026-27 Project Solicitation

Funding for flood projects operates on a biennial funding cycle with a two-stage application process. Projects are prioritized based on information submitted in the abridged application and the relative scoring of the associated evaluation, project, or strategy based on data from the Regional Flood Plans and working criteria and methodologies used to rank flood projects in the State Flood Plan. Entities are then invited to submit complete financial assistance applications based on project prioritization and a determination of funding availability. All entities are required to confirm that data provided in the Regional Flood Plans are still accurate at the time of the abridged application submittal. If any data relevant to the calculation of the score for the State Flood Plan ranking has changed since the adoption of the Regional Flood Plans, the applicant must indicate so in the abridged application. TWDB will follow up with the applicant and ask them to provide justification for the change and submit all relevant data.



Process

The process for the funding cycle is as follows:

Step 1: Submit Abridged Application

The abridged application is a form designed to help the TWDB collect the information necessary to prioritize projects and determine the best source of funding without requiring interested entities to fill out a complete TWDB financial assistance application. Following the public comment period of the draft FIF IUP, the 2026-27 FIF Abridged Application will be posted on the [FIF webpage](#) and the solicitation period will commence. Please sign-up for the [TWDB mailing list](#) to be notified of any other programmatic updates.

Step 2: Project Prioritization

The TWDB will prioritize projects into four project lists, one for FME, FMP, FMS, and federal match, according to the IUP and submit them to the Board for review and consideration.

2026-27 Flood Infrastructure Fund Intended Use Plan

Step 3: Invitation to Apply

After the prioritization is approved by the Board, the TWDB will invite selected applicants to submit complete applications for financial assistance. Prior to submitting an application, entities are required to participate in a pre-application meeting with the TWDB to discuss the application process and project requirements.

An invited applicant must submit a complete application and all information requested by the TWDB deadlines to remain in active consideration for funding. The complete application is a TWDB document that asks for the detailed engineering, legal, fiscal, and other information necessary to make a funding recommendation. Final confirmation of compliance with applicable [Minimum Standards](#) must occur prior to Board consideration of a financial assistance commitment.

Step 4: Financial Assistance Commitments

After reviewing each complete application, the Executive Administrator will make a financial assistance recommendation to be considered by the Board in a public meeting.

Step 5: Close on Financial Assistance

Entities in receipt of financial assistance commitments will have a specific amount of time to close on their financing, as shown on the following table.

Type of Financial Assistance	Closing Deadline
Commitments that include only grant	4 months
Commitments that include grant and loan	6 months
Commitments that include only loan	12 months

Abridged Applications

Each abridged application should describe proposed projects from a single category. Applicants may submit multiple abridged applications if they seek to propose projects from multiple FMX categories in a single prioritization cycle; however, no single entity will be able to receive financial assistance for more than two abridged application requests within a single FIF category. The only exceptions include: (1) federal match projects, and (2) if all other projects on the prioritization list have been invited to submit a full financial application and funds remain.

One abridged application must be submitted for each FME, FMP, or FMS respectively and cannot be combined. Each abridged application should describe a proposed project from a single category with a single associated 9-digit, Regional Flood Plan unique ID (identification) number reference (each starting with the 2-digit regional flood planning area number) and project name that corresponds to the specific, recommended FME, FMP, or FMS in the Regional Flood Plan. A list of the names and unique IDs may be found in the corresponding Regional Flood Plan and, for convenience, is also provided on the TWDB website.

The ranking criteria and weights used to rank all projects within the 2024 State Flood Plan, as required by statute, will be utilized for prioritization scoring under this IUP; therefore, individual FME/FMP/FMSs cannot be combined. Only complete projects from the Regional Flood Plan will be considered for financial assistance. Abridged applications that do not include the whole project as approved by the regional flood planning group from the State Flood Plan will be deemed ineligible for FIF. Phasing of projects are allowed, however, reduction of scope in a phase will require resubmission of appropriate benefits and rescoring. See the [Prioritization Criteria](#) for more information.

2026-27 Flood Infrastructure Fund Intended Use Plan

Year-Round Submittals

Only abridged applications received by the initial deadline for 2026-27 FIF IUP cycle will be considered in the initial prioritization. The project list may be amended as necessary to include new submittals received after the initial deadline if funds remain available. Abridged application submissions after the initial deadline will be added to the bottom of the respective prioritization list in the order in which it is received.

Prioritization and Selection Process

Following the deadline to submit abridged applications, the TWDB will review submissions and match them with the corresponding FME, FMP, or FMS from the Regional Flood Plans. The TWDB will score abridged applications utilizing the criteria and methodology used to rank all projects for the 2024 State Flood Plan, in addition to the criteria listed under the [Prioritization Criteria](#) section of this IUP. The resulting scores will determine the prioritization of funding for this FIF IUP cycle. Abridged applications will be listed separately on one of four lists (FME, FMP, FMS, and Federal Match) in order from the highest to lowest scores. A project may not be included on both the federal match funding project list and the FMX prioritization list during the same funding cycle. Projects will be assigned to only one funding category for prioritization and invitation purposes. See the [Prioritization Criteria](#) section of this IUP for more information.

The Board will approve prioritization scoring of projects and then invitations will be sent to entities to submit complete financial assistance applications based on rank and funding available.

The Board may consider and allocate funding for any proposed project, including in cases where a lower-ranked project is funded ahead of a higher-scoring one. Such bypasses may be used when necessary to help ensure that each region has the opportunity for at least one project to be invited within each category.

All initial determinations of overall eligibility, eligible category, compliance with minimum standards, grant percentage, and priority order for all projects are subject to change upon further review of the projects.

Prioritization Criteria

The ranking criteria and weights used in ranking all projects within the 2024 State Flood Plan, as required by statute, will be utilized for prioritization scoring under this IUP. Abridged applications that do not include the whole project as approved by the regional flood planning group from the State Flood Plan will be deemed ineligible for FIF, except when a project or study is structured and submitted in multiple components or phases. If a project or study scope has been reduced from that included in the State Flood Plan, for example, due to phasing, the applicant is required to provide updated project or study data to reflect the lesser benefits than those reflected in the State Flood Plan. This requirement ensures that project scores appropriately correspond to the benefits generated by the project.

If the project or study has not been reduced in scope, then it will not be re-scored, and the prioritization will be based on the State Flood Plan dataset and scoring.

Projects on the Federal Match Funding Project List will be invited based on the federal award date. To be eligible for inclusion on the Federal Match Funding List, a federal award must be issued by a federal agency before the abridged application submission deadline. The TWDB will invite projects in order of federal award date, subject to available funding. If a project receives a federal award after the abridged application submission deadline, the applicant may submit an abridged application or revise a previously submitted abridged application from the current funding cycle to indicate receipt of federal matching funds. Subject to eligibility and available funding, the Federal Match Funding Project List may be amended to include the project at the end of the ranked list. Subject to eligibility requirements and available funding, the project may be added

2026-27 Flood Infrastructure Fund Intended Use Plan

to the end of the ranked Federal Match Funding Project List. A project may not be included on both the Federal Match Funding Project List and the FMX Prioritization List during the same funding cycle. Each project will be assigned to only one funding category for prioritization and invitation purposes.

During the abridged application review process, the TWDB will verify project scope and claimed benefits against the information contained in the State Flood Plan. If an abridged application is determined to differ materially from the corresponding project or study in the State Flood Plan, including where it is not functionally equivalent, the application will be removed from the prioritization list and deemed ineligible for the FIF funding. Applicants are therefore advised to ensure that all project or study information is complete and accurate at the time of submission.

After abridged applications have been assigned to their respective FIF categories, the following criteria will be used for scoring and prioritization, incorporating updated flood planning data, as appropriate.

Category	Criteria	Points	Methodology
FME	Project's technical merits ¹	Score based on state flood planning criteria and methodology	The technical merit score is based on the ranking criteria and methodology in the 2024 State Flood Plan.
	AMHI that is ≤85% the statewide AMHI	10	Additional points if the entity's study area has an AMHI that is ≤85% the statewide AMHI.
FMP	Project's technical merits ¹	Score based on state flood planning criteria and methodology	The technical merit score is based on the ranking criteria and methodology in the 2024 State Flood Plan.
FMS	Project's technical merits ¹	Score based on state flood planning criteria and methodology	The technical merit score is based on the ranking criteria and methodology in the 2024 State Flood Plan.
Federal Match	Federal award date	Prioritization is based on the federal award date of the applicant	Projects ranked in chronological order of when the applicant received the federal award

Tiebreaker: The tie is broken in favor of the project with the highest SVI².

¹ See Appendix A, 2024 State Flood Plan criteria and associated weights used to rank recommended FME, FMP, and FMS.

² The Social Vulnerability Index (SVI) uses 15 U.S. Census Bureau variables to help local officials identify communities that may need support in preparing for hazards or recovering from disaster. SVI values range from 0 to 1. Average SVI of the benefitting area is verified using the [SVI Interactive Map](#). May use the Census tract or County data depending on the size and shape of the benefitting area. Applicant must filter for "Statewide" and "2022".

2026-27 Flood Infrastructure Fund Intended Use Plan

Eligibilities, Financing Details, and Grant Qualifiers by Category

Flood Management Evaluation Category

Eligibility

- I. Must be recommended in a Regional Flood Plan as a Flood Management Evaluation (FME).
- II. See the [Flood Management Evaluation Category](#) section for the definition and eligibility.
- III. For federal award matching funds, the applicant must provide documentation of an existing federal award contingent on availability of matching funds.

Financing

- I. Eligible to receive a grant up to 100% of the total FIF eligible study cost, with the maximum nominal amount limited by associated funding caps.
- II. Recipients may either use their own available funds or borrow FIF funds at a 0% interest rate for any portion of the required local share not provided through the FIF grant funds.
- III. With prior TWDB approval, in-kind services may be substituted for any loan offered up to \$100,000.

Grants are based on the following:

FME Grant Qualifiers	Grant % Offered
If the AMHI of the study area is $\leq 125\%$ of the state-wide AMHI, OR	100
If the AMHI of the study area $> 125\%$ of the state-wide AMHI.	90

Note: Examples of the Grant Percentage Calculations are found in Attachment 1.

2026-27 Flood Infrastructure Fund Intended Use Plan

Flood Mitigation Project Category

Eligibility

- I. Must be recommended in a Regional Flood Plan as a Flood Mitigation Project (FMP).
- II. See the [Flood Mitigation Project Category](#) section for the definition and eligibility.
- III. For federal award matching funds, the applicant must provide documentation of an existing federal award contingent on availability of matching funds.

Financing

- I. The sum of all qualifying grant percentages below will represent the overall grant allocation. The maximum grant for FMP Category projects is 85% of the total FIF eligible costs, with the maximum nominal amount limited by associated funding caps.
- II. Recipients may either use their own available funds or borrow FIF funds at a 0% interest rate for any portion of the required local share not provided through the FIF grant funds.
- III. With prior TWDB approval, in-kind services may be substituted for any loan offered.

Grants are based on the following:

FMP Grant Qualifier	Grant % Offered
If the AMHI of the project area is $\leq 85\%$ of the state-wide AMHI, OR	75
If the AMHI of the project area is $> 85\%$ of the state-wide AMHI	25
If the applicant meets the "Rural" definition.	5
If $\geq 30\%$ of total costs are Nature-Based	5
Maximum Grant Percentage	85

Note: Examples of the Grant Percentage Calculations are found in Attachment 1.

2026-27 Flood Infrastructure Fund Intended Use Plan

Flood Management Strategy Category

Eligibility

- I. Must be recommended in a Regional Flood Plan as a Flood Management Strategy (FMS) with non-recurring non-capital cost.
- II. See the [Flood Management Strategy Category](#) section for the definition and eligibility.
- III. For federal award matching funds, the applicant must provide documentation of an existing federal award contingent on availability of matching funds.

Financing

- I. Eligible to receive a grant up to 100% of the total FIF eligible project cost, with the maximum nominal amount limited by associated funding caps.
- II. Recipients may either use their own available funds or borrow FIF funds at a 0% interest rate for any portion of the required local share not provided through the FIF grant funds.
- III. With prior TWDB approval, in-kind services may be substituted for any loan offered.

Grants are based on the following:

FMS Grant Qualifier	Grant % Offered
If the AMHI of the study area is $\leq 125\%$ of the state-wide AMHI, OR	100
If the AMHI of the study area $> 125\%$ of the state-wide AMHI	90
Maximum Grant Percentage	100

Note: Examples of the Grant Percentage Calculations are found in Attachment 1.

2026-27 Flood Infrastructure Fund Intended Use Plan

Definitions Used in Grant Percentage Calculations

Annual Median Household Income (AMHI) – From the U.S. Census Bureau 2024 American Community Survey (ACS) 5-year estimates, or the most recent ACS 5-year estimates available at the time of publishing this plan.

- FME Category: The study area AMHI, using a weighted average based on population.
- FMP & FMS Categories: The project area AMHI, using a weighted average, all based on population in each U.S. Census Bureau geographic area used.

The required data may be obtained from the [U.S. Census Bureau 2024 ACS 5-year estimates](#) found on the TWDB website. The required data may also be obtained directly from the [U.S. Census Bureau](#).

Current Population – For the project area from U.S. Census Bureau 2024 ACS 5-year estimates using the sum of the population in each U.S. Census Bureau geographic area used.

Federal Funds - The amount of project funding a FIF applicant receives from the federal government. An applicant may be required to provide a local match to receive this federal funding.

Flood Management Evaluation - A proposed study to identify and assess and quantify flood risk or identify, evaluate, and recommend flood risk reduction solutions.

Flood Management Strategy - Long term flood risk reduction solution ideas that are not considered an FME or FMP (e.g., regulatory enhancements, development of entity-wide buyout programs, and public outreach and education).

Flood Mitigation Project - A proposed project, both structural and nonstructural, that has a non-zero capital costs or other non-recurring cost and that when implemented will reduce flood risk and mitigate flood hazards to life or property.

Nature-Based - Projects that use nature-based features to protect, mitigate, or reduce flood risk, as determined by TWDB.

Rural Applicant – An applicant that is:

(A) a nonprofit water supply or sewer service corporation created and operating under Chapter 67 of the Texas Water Code or a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, no part of the service area of which is located in an urban area with a population of more than 50,000;

(B) a municipality;

(i) with a population of 10,000 or less no part of the service area of which is located in an urban area with a population of 50,000 or more; or

(ii) located wholly in a county in which no urban area has a population of more than 50,000;

(C) a county in which no urban area has a population of more than 50,000; or

(D) an entity that:

(i) is a non-profit water supply or sewer service corporation created and operating under Chapter 67 of the Texas Water Code, a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, municipality, county, or other political subdivision of the state, or an interstate compact commission to which the state is a party; and

(ii) demonstrates in a manner satisfactory to the board that the entity is rural or the area to be served by the project is a wholly rural area despite not otherwise qualifying under subparagraph (A), (B), or (C) of this paragraph.

Although the definition of “Rural Applicant” describes all types of political subdivisions that may be eligible under the FME Category, note that this list of entities is broader than those that are eligible applicants for the FMP and FMS Categories.

2026-27 Flood Infrastructure Fund Intended Use Plan

Amount Available

The FIF fund is a special fund in the state treasury outside the general revenue fund. For the 2026-27 FIF IUP cycle, the TWDB will offer at least \$312.4 million available through grants and zero-percent interest loans.

The Board may increase the total of funds available for this cycle if needed, using appropriations remaining from the 2024-25 biennium. Any increase to the overall funding level must be approved by the Board.

The Executive Administrator may adjust the total amount available within the IUP through an amendment, provided that any adjustment remains within the maximum amount authorized by the Board.

NOTE: The interest rate on all loans will be zero percent (0%).

Total Funds Available for 2026-27 FIF IUP	
New FIF Appropriations Allocated	\$312,474,540
Total FIF Funds Available for 2026-27	\$312,474,540

Limits and Funding Caps

No single entity will be able to receive financial assistance for more than two abridged application requests within a single FIF category. The only exceptions being for federal match projects and if all other projects on the prioritization list have been invited to submit a full financial application and funds remain. The following is a summary of funding limitations that can be awarded per application, by category. The Executive Administrator may waive the funding limit at their discretion.

Funding Limitations Per Application By Category			
Category	Grant	Loan	In-Kind
FME	\$5,000,000	\$5,000,000	\$100,000
FMP	\$15,000,000	\$30,000,000	None
FMS	\$5,000,000	\$5,000,000	None

Allocations of Funds

The TWDB may limit the amount of grant funding and loan financing available in each category and in total, as well as the total amount of grant or loan funding provided to any single project or applicant.

Category-specific allocation limits will be established after the abridged application submittal deadline. At that time, the TWDB will evaluate the funding requests within each prioritization list (FME, FMP, FMS, and Federal Match) and determine the appropriate distribution of FIF funds.

The TWDB does not anticipate allocating a large proportion of the total available grant and/or loan funds to a single project or applicant. This is limited by the grant and loan cap amounts stated under the [Limits and Funding Caps](#) section of this document.

The Board may consider and allocate funding for any proposed project, including instances where a lower-ranked project is invited ahead of a higher scoring project. For example, the Board may bypass ranked projects to ensure that at least one project or study from each region is invited within each category.

There will be four prioritization lists: FME, FMP, FMS, and Federal Match. Projects seeking federal match funding will be invited based on the federal award date.

2026-27 Flood Infrastructure Fund Intended Use Plan

If a project or study on the prioritization list does not move forward to commitment or closing, the TWDB may reallocate those funds to other eligible projects in any category on the prioritization list.

The total project cost may be increased from the amount submitted on the abridged application if the applicant demonstrates that additional funds are necessary to implement the project. However, if the project includes a grant component, the total amount of grant amount may not exceed the amount listed in the Board-approved FIF Prioritization List unless additional grant funding becomes available during the cycle and the Board approves an additional grant commitment.

Financing Terms

In general, the TWDB will establish loan terms appropriate for the type of activities being financed. Specifically, for this biennial cycle, the following terms will apply:

1. The interest rate on financing will be zero percent.
2. For Cities, Counties, Districts, and Authorities, financial assistance will be provided through TWDB's purchase of applicant's bonds or certificates of obligation. For water supply corporations (which are only eligible for the FME Category), financial assistance may be provided through a loan agreement.
3. For construction projects, financing may be offered for a term of up to 30 years, provided it does not exceed the projected useful life of the project, and principal payments will commence no later than 18 months after estimated completion of project construction.
4. For planning, acquisition, and/or design-only projects, financing may be offered for a term of up to 10 years and principal payments will commence no later than 18 months after estimated completion of the last activity phase being financed.
5. No additional deferrals of principal will be offered.
6. Level principal repayments will be required.
7. The recipient of financing must establish an adequate source of revenue and/or demonstrate adequate security for the repayment of the financing as it becomes due.
8. All bonds/loans must be rounded to the nearest \$5,000 increment.
9. Considering a certain level of contingency in the project budget is strongly encouraged.
10. TWDB funds are not eligible for operations and maintenance.
11. Texas Administrative Code rules related to requests for financial assistance from the Texas Water Development Board (TWDB) require the submission of current, audited financial reports (31 TAC §§ 363.12, 371.31, and 375.41). Applicants must meet this application requirement not only at the time of submission, but also until commitment of funds to a project. If the project includes a loan component, additional audited financial reports and documentation will be required.

Release of Funds – Outlays, Escrow Releases, and Other Methods of Disbursements

The FIF program generally releases funds through a reimbursement (outlay) request process, with all funds – both grant and loan – initially deposited into an interest-bearing escrow account prior to disbursement. Communities are responsible for establishing the escrow account and covering any associated fees. Costs related to opening and maintaining the escrow account are eligible for reimbursement based on the applicable loan/grant share and must be included in the project budget as a separate line item. These costs should be incorporated into the project's overall cost estimates. Grant and loan funds that are not eligible for release at the time of closing will remain in escrow until the TWDB approves their release.

Any interest earned on grant funds must be applied to the FIF project or returned to the TWDB. Interest earned on loan funds must be used in accordance with the bond ordinance, bond resolution, or the loan agreement, as

2026-27 Flood Infrastructure Fund Intended Use Plan

applicable. Funds released from escrow must be deposited into the recipient's designated FIF project or construction bank account to make payments on project expenses.

Advance disbursements will only be considered if the TWDB determines it is absolutely necessary. Funds may be reimbursed if applicable state and federal (if associated with federal matching program) procurement laws and regulations have been followed. Funds dispersed prior to May 13, 2026, are not eligible for reimbursement, with the exception of federal matching funds. Federal matching funds through the FIF will be reimbursed according to the performance of the associated federal program.

Release of FIF grant funds requires submission of an outlay report or reimbursement request, along with invoices documenting eligible project costs. If the FIF financial assistance consists solely of loan funds, disbursement will occur through an escrow release authorization process, and invoices will not be required. For projects with federal award matching funds, the amount disbursed may not exceed the required local share or match for the federal award. Proof of federal reimbursement and documentation of the required local share or match must be submitted before disbursement.

A project progress report must be included with each escrow release request, except for projects receiving federal award matching funds.

A minimum retainage of five percent of project funds will be withheld, except for projects involving federal award matching funds, for which retainage will not be withheld. Any remaining retainage will be disbursed once the TWDB receives all required close-out documentation. For disbursements related to construction contracts, the TWDB will reimburse 95 percent of each outlay of the TWDB's share of eligible activities, taking into account any retainage already deducted from invoices or other supporting documents.

Project administration, delivery fees and charges, and engineering costs must be reasonable – as determined by the TWDB – in order to be eligible for FIF activity costs. In making this determination, the TWDB may consider the FIF award amount(s), the size of the FIF-eligible portion of the project, and/or nature of the project activities.

Figure 1. Criteria and associated weights used to rank recommended flood management evaluations (FME), flood mitigation projects (FMP), and flood management strategies (FMS)*

	Criterion	Criterion type	Criteria grouping	FME ranking criterion?	FME ranking weight	FME grouping weight	FMP ranking criterion?	FMP ranking weight	FMP grouping weight	FMS ranking criterion?	FMS ranking weight	FMS grouping weight	Max score
Reported data from FME, FMP, and FMS GIS feature classes	1 Estimated structures at 1 percent (100-year) flood risk**	Flood risk	Life, safety, and property	Yes	15.0%	75.0%	No	0.0%	0.0%	Yes	10.0%	40.0%	10
	2 Estimated population at 1 percent (100-year) flood risk**	Flood risk		Yes	15.0%		No	0.0%		Yes	10.0%		10
	3 Critical facilities at 1 percent (100-year) flood risk**	Flood risk		Yes	25.0%		No	0.0%		Yes	10.0%		10
	4 Low water crossings at flood risk**	Flood risk	Mobility	Yes	20.0%	15.0%	No	0.0%	0.0%	Yes	10.0%	15.0%	10
	5 Estimated road closures**	Flood risk		Yes	5.0%		No	0.0%		Yes	5.0%		10
	6 Estimated road miles at 1 percent (100-year) flood risk**	Flood risk		Yes	10.0%		No	0.0%		Yes	10.0%		10
	7 Estimated farm & ranch land at 1 percent (100-year) flood risk (acres)**	Flood risk	Agriculture	Yes	10.0%	10.0%	No	0.0%	0.0%	Yes	5.0%	5.0%	10
	8 Structures removed from 1 percent (100-year) floodplain**	Flood risk reduction					Yes	5.0%		Yes	10.0%		10
	9 Percent structures removed from 1 percent (100-year) floodplain (Calculated by TWDB from reported data)	Flood risk reduction					Yes	10.0%		No	0.0%		10
	10 Residential structures removed from 1 percent (100-year) floodplain**	Flood risk reduction	Life, safety, and property			45.0%	Yes	2.5%	5.0%	Yes	5.0%	25.0%	10
	11 Estimated population removed from 1 percent (100-year) floodplain**	Flood risk reduction					Yes	10.0%		Yes	10.0%		10
	12 Critical facilities removed from 1 percent (100-year) floodplain**	Flood risk reduction					Yes	10.0%		No	0.0%		10
	13 Low water crossings removed from 1 percent (100-year) floodplain**	Flood risk reduction	Mobility			5.0%	Yes	7.5%	5.0%	No	0.0%	0.0%	10
	14 Estimated roadway miles removed from 1 percent (100-year) floodplain**	Flood risk reduction					Yes	5.0%		No	0.0%		10
	15 Estimated farm & ranch land removed from 1 percent (100-year) floodplain (acres)**	Flood risk reduction					Yes	5.0%		No	0.0%		10
	16 Percent nature-based solution (by cost)	Other					Yes	5.0%		Yes	7.5%		10
	17 Benefit-cost ratio	Other					Yes	2.5%					10
	18 Water supply benefit (Y/N)	Other					Yes	5.0%		Yes	5.0%		10
	19 FMP project type (10 points) Low water crossing (4 points) Preparedness	Other					Yes	2.5%		No	0.0%		
	FMS project type (10 points) Flood measurement and warning (8 points) Regulatory and guidance (6 points) Education and outreach (4 points) Property acquisition and structural elevation (4 points) Infrastructure projects (2 points) Other	Other					No	0.0%		Yes	2.5%		10
	Subtotal					100.0%			70.0%			100.0%	
FMP project details scoring (computed by the regional flood planning groups)**	21 Score 1: Severity - Pre-project average depth of flooding (100-year)	Flood risk					Yes	5.0%					10
	22 Score 2: Severity - Community need (percent population)	Flood risk					Yes	5.0%					10
	23 Score 6: Life and safety	Flood risk reduction					Yes	5.0%					10
	24 Score 8: Social vulnerability	Other					Yes	5.0%					10
	25 Score 10: Multiple benefits	Other benefits					Yes	2.5%					10
	26 Score 13: Environmental benefit	Other benefits					Yes	2.5%					10
	27 Score 15: Mobility	Other benefits					Yes	5.0%					10
	Subtotal					0.0%			30.0%			0.0%	
	Total (must add to 100 percent)					100.0%			100.0%			100.0%	

Note: All flood risk and risk reduction information are for 1 percent (100-year) annual chance storm. Grey cells indicate the criterion is not applicable for that flood risk reduction solution type.

* Only recommended flood management strategies with non-recurring, non-capital costs were ranked in the 2024 State Flood Plan

** Indicates that select reported data were normalized on the curve (ArcSinh), scoring 0-10

*** Project details criteria are described below. Refer to "project details scoring" for a description of all data included in project details available here: www.twdb.texas.gov/flood/planning/planningdocu/2023/doc/04_Exhibit_C_TechnicalGuidelines_April2021.pdf

Score 1: Severity - Pre-project average depth of flooding (100-year): Ranking of severity based on the baseline/pre-project average 100-year flood depth.

Score 2: Severity - Community need (percent population): Ranking of severity based on a community's need by percentage of project community affected by population.

Score 6: Life and safety: Ranking of reduced flood risk by percentage of structures removed from the 100-year floodplain in post-project condition.

Score 8: Social vulnerability: Ranking based on the Center for Disease Control SVI data for Texas, by calculating an average project SVI by census tract and classifying the vulnerability level.

Score 10: Multiple benefits: Ranking a project based on the reporting of significant, measurable, expected benefits to: recreation, transportation, social and quality of life, local economic impacts, meeting sustainability goals, and/or project resilience goals.

Score 13: Environmental benefit: Ranking of expected level of environmental benefits to be delivered by project to water quality, cultural heritage, habitat, air quality, natural resources, agricultural resources, and soils/erosion and sedimentation.

Score 15: Mobility: Ranking project improvement and protection of mobility during flood events, with particular emphasis on emergency service access and major access routes.

2026-27 Flood Infrastructure Fund Intended Use Plan

Attachment 1: Examples of Grant Percentage Calculation for Each Category

Flood Management Evaluation Category: The FME Category has one grant qualifier. The applicant's grant percentage will be based on that eligible grant percentage.

Grant Qualifier	Potential Example	Grant % Offered
AMHI at $\leq$ 125% of the state-wide AMHI	AMHI is 80% of the state-wide AMHI	100
AMHI > 125% of the state-wide AMHI	AMHI is 135% of the state-wide AMHI	90

Flood Mitigation Project Category: The applicant's grant percentage will be the sum of the three grant qualifiers.

Grant Qualifier	Potential Example	Grant % Offered
AMHI of the project area is >85% of the state-wide AMHI	AMHI is 95% of the state-wide AMHI.	25
Applicant meets the "Rural" definition.	Applicant meets the "rural" definition.	5
$\geq$ 30% of total costs are Nature-Based	Nature-based costs are 40% of the total project costs	5
Total Grant Percentage		35

Grant Qualifier	Potential Example	Grant % Offered
AMHI of the project area is $\leq$ 85% of the state-wide AMHI	AMHI is 50% of the state-wide AMHI.	75
Applicant meets the "Rural" definition.	Applicant does not meet the "rural" definition.	0
$\geq$ 30% of total costs are Nature-Based	Nature-based costs are 5% of the total project costs	0
Total Grant Percentage		75

Flood Management Strategy Category: The FMS category has one grant qualifier. The applicant's grant percentage will be based on that eligible grant percentage.

Grant Qualifier	Potential Example	Grant % Offered
AMHI at $\leq$ 125% of the state-wide AMHI	AMHI is 80% of the state-wide AMHI	100
AMHI > 125% of the state-wide AMHI)	AMHI is 135% of the state-wide AMHI	90

Attachment 2: Project List

A project list will be incorporated after prioritization is complete.