June 12, 2026

Texas Water Development Board
1700 N Congress
Austin TX 78701
Via email: FIF@twdb.texas.gov

Re: Draft SFY 2026-2027 Flood Infrastructure Fund (FIF) Intended Use Plan (IUP)

Dear TWDB Board Members and FIF program staff:

The following comments are submitted on behalf of Texas Living Waters, a coalition whose members believe the FIF program is not only a valuable resource for the protection of lives and property but an opportunity to "get it right" by prioritizing and incentivizing strategies that protect, restore, and mimic the natural environment. Considering the harrowing floods Texas communities have experienced throughout our state's history and the potential for increased FIF funding capacity through new appropriations or transfers from the Texas Water Fund, all Texans stand to benefit from a strong, well-resourced, and thoughtfully administered FIF program. Recognizing the IUP's important role as a bridge between the appropriation of funds and their disbursement to Texas communities, we appreciate the opportunity to review this draft.

Nature-based solutions (NbS) are cost-effective, durable strategies that can protect lives and property while providing additional benefits such as water purification and carbon storage , but their benefits can be difficult to capture in the models for calculating Benefit-Cost Analysis (BCA) for "hard" infrastructure projects. We applaud the decision to remove the BCA as a Minimum Requirement in the application process, which will improve the accessibility of FIF funds for NbS projects and supports recommendation 2.3.3 for improved flood plain management from the 2024 State Flood Plan: "Seek ways to provide funding and incentives for incorporating nature-based solutions." The time spent wrestling with BCA calculations and other requirements can become costly, so the update also improves equitable access to FIF by lowering the hurdle faced by applicants.

We also support the updated and simplified set of grant qualifiers, which raises the low end of the grant scale in each of the four eligible activity categories. Notably, the 5% grant available for NbS projects is now easier to obtain since it has been decoupled from unrelated qualifiers. These are welcome changes, since NbS and flood mitigation activities in general can be difficult for many eligible applicants to finance under the primarily loan-based structure of TWDB's other programs, and generous terms can bring projects within reach for small, rural, or resource-limited communities.

The 2026-2027 IUP includes several adjustments that resolve comments we provided on the 2024 IUP. We deeply appreciate these thoughtful changes and believe they strengthen the program:

- Clarified bypass procedure
- Removal of the 5-year eligibility window for federal award matching funds
- Increased grant percentages, and making grants for NbS available to all applicants (as noted above)

While we commend the TWDB for changes that make FIF more accessible, the TWDB application process itself remains a substantial task for applicants, and widespread implementation of flood plan recommendations will require FIF to be utilized by communities with a wide range of administrative and financial capacities. The IUP helpfully lists several examples of directly project-related activities that are eligible for FIF funding, but it is unclear whether costs incurred to complete the application (or other relevant technical assistance) are also eligible. Reimbursement for grant writing expenses is a factor in funding accessibility, and details on the eligibility of these costs would be valuable to first-time applicants. We recommend clarifying the eligibility of these costs in the final IUP.

While the IUP for this FIF solicitation includes several positive updates, outreach will be the key to ensuring eligible applicants are aware of the opportunity. Special consideration should be given to reaching eligible applicants that are not attuned to standard TWDB communications channels, for example those that do not also operate water or wastewater utilities. Focused communications efforts should also be undertaken periodically to inform eligible applicants about the Flood Information Clearinghouse website, and the Clearinghouse should offer a mailing list feature to alert interested parties about new funding opportunities.

Thank you for the opportunity to comment on the draft IUP. We are confident that several of the changes made for this solicitation are positive, but others can only be judged in the context of the abridged applications received. For example, limitations on grants and overall funding per application seem reasonable but may need to be reconsidered based on the average cost of submitted projects. We look forward to providing additional comments on details like these in the context of the Project Priority List when it is available.

Sincerely,

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