

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB904

Patron: Lopez

Bill Title: Department of Housing and Community Development; Virginia Disaster Assistance Fund; post-disaster recovery; floodplain mitigation and resilience projects.

Bill Summary: Requires the Department of Housing and Community Development (the Department) to amend its criteria for awarding money from the Virginia Disaster Assistance Fund (the Fund) to allow for moneys from the Fund to be used for post-disaster recovery projects that are consistent with the state floodplain management standards for state-owned buildings or local floodplain standards, whichever are more stringent. The bill requires the Department to give priority to projects that use nature-based solutions or promote green infrastructure when possible. The bill also requires the Department to coordinate with the Interagency Resilience Management Team when evaluating new applications for awards from the Fund to ensure that such projects are aligned with the Commonwealth's resilience principles.

Budget Amendment Necessary: Yes. See Fiscal Analysis **Items Impacted:** Item 102

Explanation: This bill involves the Department of Housing and Community Development (DHCD) and the Interagency Resilience Management Team; however, no budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that any costs DHCD may incur can be absorbed within existing resources. However, the Virginia Disaster Assistance Fund," which does not exist. The disaster mitigation and assistance program administered by DHCD is established in budget bill language and a language amendment would be necessary to effectuate the programmatic changes outlined in this bill.

Fiscal Analysis: This impact statement is preliminary. The bill references the "Virginia Disaster Assistance Fund," which does not exist. Chapter 725, 2025 Acts of Assembly provides \$50 million from the General Fund to DHCD for disaster mitigation and relief for qualified communities. The program is established in budget language, and the funding is continued in HB30/SB30, as introduced.

As authorized in budget language, disaster assistance funding administered by DHCD consists of two programmatically distinct components: Paragraph Q.1 centers on direct relief payments to individual property owners for specified past disaster events, with compensation tied to property loss and damage. Paragraph Q.2 supports forward-looking mitigation and resilience projects, including hazard mitigation, construction improvements, and disaster risk reduction. The bill's language allowing use of Fund moneys for post-disaster recovery projects consistent with floodplain standards and prioritizing nature-based solutions and green infrastructure aligns conceptually with Q.2, but is less compatible with Q.1, which is designed as a compensatory relief program rather than a project-based recovery or mitigation program.

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The bill directs DHCD to revise or apply award criteria for disaster-related funding and to coordinate with the Interagency Resilience Management Team, which is chaired by the Chief Resilience Officer. Effectuating this would require an amendment to budget language in HB30/SB30.

DHCD has indicated that any additional administrative workload associated with applying revised criteria, prioritizing certain project types, or coordinating with the interagency team can be absorbed within existing resources. The Interagency Resilience Management Team is established in statute within the provisions relating to the Secretariat of Natural and Historic Resources; however, the Team operates as a Governor-convened, cross-secretariat body. Both the Office of the Governor and the Secretariat of Natural and Historic Resources have indicated that any coordination or advisory activities required by the bill can be absorbed within existing resources.

The Virginia Disaster Assistance program launched in May 2025 and is currently administered in partnership with six agencies. To date, more than \$3.2 million has been disbursed in direct assistance to eligible applicants, and approximately \$2 million in applications is currently under review for eligibility verification and submission. Applications for resiliency support remain open, and the agency has received more than 200 applications to date.

Other: None.