

CDBG-DR Process Standardization: Recent HUD Actions and Selected Legislative Proposals

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Introduction

Congress has periodically provided supplemental funding for long-term disaster recovery under the [Community Development Block Grant](#) (CDBG) program's [statutory authority](#). This intermittently available [Community Development Block Grant for Disaster Recovery](#) (CDBG-DR) funding is intended to support needs that have not been met by other forms of federal disaster assistance. Since 1993, Congress has appropriated more than [\\$99 billion](#) in supplemental CDBG-DR related funds. Typically, CDBG-DR funds have been directed to the [most impacted and distressed areas](#) with [major disaster declarations](#) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act ([Stafford Act](#)).

CDBG-DR activity is not structured by a standing authorization or by a set of regulations. Broadly, CDBG-DR funds are subject to the conventional [CDBG program's statutory](#) and [regulatory requirements](#). However, each supplemental appropriation effectively establishes a new CDBG-DR "program." The language accompanying each such appropriation may include different statutory directives and authorize the Department of Housing and Urban Development (HUD)—which administers CDBG and CDBG-DR—to establish various [waivers and alternative requirements](#), as circumstances may require.

This process provides flexibility and allows Congress and HUD to adapt program requirements to the specific needs of affected communities. [Some analysis](#) suggests that it may also contribute to protracted rulemaking periods, inconsistent administrative timeframes, and delayed funding, posing coordination and planning challenges.

HUD's [Office of Inspector General](#) (HUD-OIG) and the [Government Accountability Office](#) (GAO) have recommended permanent authorization and regulatory codification of these or similar long-term disaster recovery investments. Recently, HUD has sought to standardize CDBG-DR processes to the extent practicable within the current framework.

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Recent HUD Actions

Consolidated Notice

HUD has included a consolidated notice as an appendix in *Federal Register* notices announcing allocations for disasters occurring in 2020, 2021, and 2022. The consolidated notice—and its [accompanying guidance](#)—outlines uniform CDBG-DR processes and requirements. It also allows a grantee that received a CDBG-DR grant within the past three years to rely on the prior grant submission for certain certification and planning steps. A [FY2023 report by HUD-OIG](#) notes that this approach could provide more clarity for future CDBG-DR grantees if the rules remain consistent going forward.

Request for Information: Universal Notice

On December 20, 2022, HUD published a [notice in the *Federal Register*](#) requesting information regarding the development of a “CDBG-DR Universal Notice,” to be modeled after the consolidated notice described above. According to HUD, the universal notice would establish a set of “[uniform waivers and alternative requirements](#)” for future CDBG-DR allocations intended to provide more clarity and consistency in grant processes. Additionally, HUD noted that the universal notice could encourage enhanced state and local coordination of resources, as well as increase awareness and disbursement of funding among [vulnerable populations](#). According to HUD, the universal notice would also build in processes to improve resilience planning and mitigate “[fiscal exposure to climate change and its effects](#).”

Organizational Structure and Staffing

In a March 15, 2023 press release, HUD [announced a series of changes](#) to its administrative structure and capacity in order to fulfill its [growing role](#) in providing federal disaster assistance. In 2023, HUD’s Disaster Recovery and Special Issues Division became an official HUD Office, under the name [Office of Disaster Recovery](#) (ODR). The ODR consists of three divisions focused on (1) policy; (2) operations; and (3) grants management. Additionally, HUD announced the establishment of the Office of Disaster Management within HUD’s Office of the Deputy Secretary. In concert with these structural changes, HUD announced additional staff. According to the press release, these modifications will improve the timeliness and efficiency of HUD’s disaster recovery and hazard mitigation services.

Related Legislative Proposals

HUD has emphasized that [establishing the ODR](#) does not change CDBG-DR’s programmatic status, regulatory structure, or funding process—all which would require legislative action in Congress. In its [FY2023](#) and [FY2024](#) Congressional Budget Justifications, HUD expressed support for CDBG-DR authorization. Some Members of Congress have proposed legislation that would authorize CDBG-DR or a similar new program to provide for long-term unmet disaster recovery needs.

Reforming Disaster Recovery Act

On May 18, 2023, the Reforming Disaster Recovery Act, [S. 1686](#), was reintroduced in the Senate. If enacted, the bill would authorize CDBG-DR as a standing program and establish a dedicated fund within the Treasury, among other provisions. Similar versions of this bill have been introduced since the 115th Congress. A version of the bill introduced in the 116th Congress, H.R. 3702, was passed by the House under suspension of the rules by a vote of 290-118 on November 18, 2019.

S. 1686 would formalize HUD's role in federal assistance for long-term disaster recovery. Other proposals have sought to address unmet disaster recovery needs through alternative agencies and program structures.

Expediting Disaster Recovery Act

The Expediting Disaster Recovery Act ([H.R. 5774](#)), introduced in the 117th Congress, would have amended [Title IV of the Stafford Act](#) to establish a program for unmet disaster recovery needs. Specifically, the bill would have enabled the President to allocate funding through the Federal Emergency Management Agency for activities related to housing, economic recovery, assistance for families, and other services as needed. Additionally, the bill would have prohibited income criteria for duplications of benefit relief among grantees that accepted a grant and a qualified disaster loan. On September 14, 2022, [H.R. 5774](#) was passed by the House under suspension of the rules by a vote of 406-20.

Natural Disaster Recovery Program Act

Another bill introduced in the 117th Congress, [H.R. 2809](#), the Natural Disaster Recovery Program Act of 2021, would have established a program to address the unmet disaster recovery needs of states and tribes. The program would have been administered by the President in coordination with relevant agencies. Under the program, previously awarded disaster loans would not have affected grant amounts, or posed a potentially [duplicative benefit](#). The bill also would have established a dedicated fund for its activities in the Treasury.

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