

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

Updated February 7, 2025

Introduction

Periodically, Congress has provided supplemental appropriations for [Community Development Block Grants for Disaster Recovery](#) (CDBG-DR), administered by the [Department of Housing and Urban Development](#) (HUD). This funding is intended to support needs unmet by other forms of federal disaster assistance, such as [Federal Emergency Management Agency grants](#) and [Small Business Administration loans](#). Since 1993, Congress has appropriated more than [\\$100 billion](#) in supplemental CDBG-DR 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](#)).

Broadly, CDBG-DR funds are subject to the conventional [Community Development Block Grant](#) program’s [statutory authority](#) and [regulatory requirements](#). However, the text of each CDBG-DR supplemental appropriation historically has included specific statutory directives and authorized HUD to establish [waivers and alternative requirements](#) as circumstances may require.

The ad hoc nature of this process has allowed Congress and HUD to adapt CDBG-DR requirements to the specific needs of affected communities. Some analysis indicates that it has also contributed to recovery [coordination and planning challenges](#). Reporting by the Government Accountability Office (GAO) provides evidence of protracted rulemaking periods, inconsistent administrative timeframes, and funding delays. Some grantees have also [expressed concerns](#) with the administrative burden of simultaneously managing multiple CDBG-DR grants with differing sets of requirements.

GAO and HUD’s [Office of Inspector General](#) (HUD-OIG) have recommended permanent authorization and regulatory codification of these (or similar) long-term disaster recovery investments. This Insight describes selected HUD actions and bills from the 118th Congress related to these recommendations.

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IN12191

Related HUD Actions

Since 2022, HUD has instituted several measures to standardize CDBG-DR processes within the current framework.

Universal Notice

On January 8, 2025, HUD published a “[Universal Notice](#),” in the *Federal Register*, to standardize and clarify the CDBG-DR rulemaking process. According to HUD the Universal Notice is a uniform rulemaking document with waivers and alternative requirements that can be activated to accompany an [Allocation Announcement Notice](#), when Congress provides supplemental appropriations and rulemaking authority for CDBG-DR. HUD’s stated intent in establishing a Universal Notice is to “provide grantees and the public with increased transparency, consistency, and more timely access to CDBG-DR funds, helping to minimize program delays and accelerate recovery.” The Universal Notice outlines the baseline waivers and alternative requirements associated with three key phases of the CDBG-DR grants management process:

1. Action Plan development,
2. financial certification and oversight of funds, and
3. implementation of Universal Notice requirements.

The Universal Notice was developed with public input solicited in a December 2022, HUD Request for Information notice in the *Federal Register*, which [elicited 87 responses](#).

In coordination with the Universal Notice publication, [HUD announced a series](#) of related technical assistance webinars. The agency held two introductory webinars on January 14 and January 21, 2025. On January 27, [HUD announced postponement](#) of three remaining webinars regarding specific components of the Universal Notice.

Consolidated Notice

Prior to development of the Universal Notice, HUD began to include a [consolidated notice](#) as an appendix in *Federal Register* notices announcing allocations for disasters occurring in [2020](#), [2021](#), and [2022](#), as well as [selected 2023 disasters](#). The consolidated notice—and its [accompanying guidance](#)—outlined uniform CDBG-DR processes and requirements for grantees covered by these allocations and rulemaking.

Organizational Structure

In 2023, HUD announced a series of changes to its administrative structure and capacity to carry out its [growing role](#) administering federal disaster assistance. 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.

Related Legislative Proposals

HUD has emphasized that [establishing the ODR](#) did not change CDBG-DR’s authorization status, regulatory structure, or funding process—all which would require legislative action in Congress. In its [FY2023](#), [FY2024](#), and [FY2025](#) Congressional Budget Justifications, HUD expressed support for CDBG-DR authorization. As summarized below, some Members of Congress have proposed legislation that would authorize CDBG-DR within HUD, or a similar new program to provide for long-term unmet disaster recovery needs in another agency.

Reforming Disaster Recovery Act

The Reforming Disaster Recovery Act (S. 1686 /H.R. 5940), introduced in the 118th Congress, would have formalized HUD's role in federal assistance for long-term disaster recovery, authorizing CDBG-DR as a standing program, directing HUD to codify program regulations, and establishing a dedicated fund for the program within the Treasury, among other provisions. A version of the bill introduced in the 116th Congress, H.R. 3702, had passed in the House under suspension of the rules by a vote of 290-118.

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. 6084), introduced in the 118th 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. Although H.R. 6084 did not advance in the 118th Congress, a version of the bill introduced in the 117th Congress, H.R. 5774, passed the House under suspension of the rules by a vote of 406-20.

Natural Disaster Recovery Program Act

Another bill in the 118th Congress, the Natural Disaster Recovery Program Act of 2021 (H.R. 9750), included a provision that would have established a program to address the unmet disaster recovery needs of states and tribes, by amending Title IV of the Stafford Act. The bill, which was reported out of committee, would have enabled the President to allocate funds for a substantially similar set of eligible uses as the Expediting Disaster Recovery Act. The bill also would have stipulated that previously awarded disaster loans would not affect grant amounts, or pose a potentially [duplicative benefit](#). A version of this bill, H.R. 2809, was introduced in the 117th Congress.

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