

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

Updated July 10, 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, including [Federal Emergency Management Agency \(FEMA\) grants](#) and [Small Business Administration loans](#). Since 1993, Congress has appropriated more than [\\$109 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](#). In addition, the text of CDBG-DR supplemental appropriations 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 contributed to recovery coordination and planning challenges. The [Government Accountability Office \(GAO\)](#) has reported some findings, however, of protracted rulemaking periods, inconsistent administrative time frames, and funding delays. Some grantees have also expressed concern with the administrative burden of simultaneously managing multiple CDBG-DR grants with differing sets of requirements. [GAO](#) and the [HUD Office of Inspector General \(HUD-OIG\)](#) have recommended permanent authorization and regulatory codification of these (or similar) long-term disaster recovery investments.

Congressional Research Service

<https://crsreports.congress.gov>

IN12191

## Related HUD Actions

### 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](#) (AAN) when Congress provides supplemental appropriations and rulemaking authority for CDBG-DR. The first AAN subject to the Universal Notice requirements was [published on January 16](#) and provided allocations for disasters occurring in 2023 and 2024 pursuant to P.L. 118-158.

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.

Subsequently, HUD amended the Universal Notice on [March 19](#) and [March 31](#). According to HUD, the amendments were intended to conform with several executive orders and a presidential memorandum issued between January 20 and February 19 on subjects pertaining to the cost of living and diversity, equity, and inclusion practices. HUD also announced a 60-day extension for CDBG-DR grantees that received an allocation for disasters occurring in 2023 or 2024 that were subject to the initial Universal Notice requirements.

Some Members of Congress have [expressed concern and called for scrutiny](#) of the efficacy and potential administrative burdens associated with the Universal Notice amendments. On June 16, in response to a letter from Senators Elizabeth Warren and Patty Murray requesting a review of a range of HUD and CDBG-DR issues (including the changes to CDBG-DR Universal Notice requirements), [HUD-OIG indicated](#) that it is “closely monitoring HUD’s actions on each of these issues through regular coordination with HUD leadership.”

### 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. HUD's [FY2026 Congressional Justifications](#) did not include such language. Some Members of Congress have proposed legislation that would authorize CDBG-DR within HUD or establish a similar new program to provide for long-term unmet disaster recovery needs in another agency. Two recent examples of bills are discussed below.

### Natural Disaster Recovery Program Act

The Natural Disaster Recovery Program Act of 2025 (H.R. 316) would establish a dedicated fund in the Treasury and authorize FEMA to provide assistance for unmet disaster recovery needs of states and tribal governments. Versions of this bill were introduced in the 118<sup>th</sup> Congress (H.R. 9750) and the 117<sup>th</sup> Congress (H.R. 2809). The bill introduced in the 118<sup>th</sup> Congress was reported out of committee.

### Reforming Disaster Recovery Act

The Reforming Disaster Recovery Act (S. 1686/H.R. 5940), introduced in the 118<sup>th</sup> 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 116<sup>th</sup> Congress, H.R. 3702, had passed in the House under suspension of the rules by a vote of 290-118.

## Author Information

Joseph V. Jaroscak  
Analyst in Economic Development Policy

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However,

---

as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.