TAXPAYERS for COMMON SENSE

FACT SHEET

June 2026

Community Development Block Grant Disaster Recovery (CDBG-DR)

The Community Development Block Grant Disaster Recovery (CDBG-DR) program, under the Department of Housing and Urban Development (HUD), provides funding to states, local governments, and certain nonprofits for disaster recovery and resilience projects. CDBG-DR funding is typically used for long-term rebuilding efforts rather than immediate relief activities funded through other federal disaster programs. This distinguishes CDBG-DR from the longstanding CDBG program, which assists with housing, infrastructure, and community development needs for low- and moderate-income communities without special emphasis on issues regarding recovery from natural disasters.

CDBG-DR was first created in response to Hurricane Andrew and other disasters in FY1993 to supplement existing disaster-related authorities to help communities rebuild after major disasters. Since then, Congress has appropriated more than $112 billion in CDBG-DR funds on 31 separate occasions.

CDBG-DR is not a permanently authorized program; it is authorized through various post-disaster supplemental appropriations. Typically, Congress directs HUD to allocate CDBG-DR funds for use in the “most impacted and distressed areas” in jurisdictions with major disaster declarations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.[1] Once CDBG-DR funds are appropriated, HUD sets allocation amounts and publishes a notice in the Federal Register detailing the specific requirements and grant process. In January 2025, HUD published a “Universal Notice” in the Federal Register to standardize and clarify the CDBG-DR rulemaking process within the current framework.

Each CDBG-DR activity must meet the requirements of the conventional CDBG program—including that at least 70 percent of grant funds be expended on activities that benefit individuals with low and moderate income[2]—and address a disaster-related impact. The

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[1] Congressional Research Service (CRS), "Community Development Block Grants for Disaster Recovery: A Primer." June 24, 2026. https://www.congress.gov/crs-product/IF13221.

[2] In some cases, HUD has relaxed the low- and moderate-income (LMI) requirement.

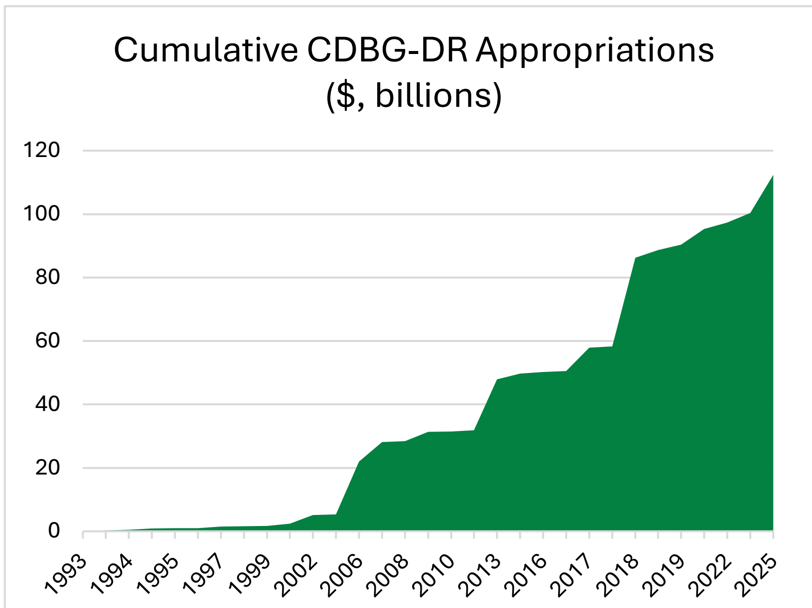
spending bills providing CDBG-DR funding also may contain additional program requirements or waivers from the underlying CDBG program and vary from year-to-year.

Typical qualifying activities may[3]:

- lead to restoring and improving the housing stock;
- rebuild or replace impacted infrastructure;
- address job losses, impacts to tax revenues, and impacts to business; or
- establish public services that address specific needs to strengthen the community post-disaster.

As disaster costs have increased, Congress has provided increasingly large supplemental appropriations through CDBG-DR.[4] More than half of the $112 billion appropriated to the CDBG-DR since its creation has been provided in the last decade.[5]

In FY2018, Congress appropriated $28 billion—one quarter of the program's total cost—to recover from natural disasters in 2017, which included Hurricanes Harvey, Irma, and Maria.[6] Most recently, Congress appropriated $12 billion in response to natural disasters in 2023 and 2024, which included the Maui wildfires and Hurricanes Helene and Milton.



[3] U.S. Department of Housing and Urban Development, "Community Development Block Grant Disaster Recovery," July 2025. https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-Disaster-Recovery-Overview.pdf

[4] While CDBG-DR is primarily implemented in response to natural disasters, it was also used to assist post-September 11th New York City's recovery efforts ($3.483 billion).

[5] CRS, "Community Development Block Grants for Disaster Recovery: A Primer." June 24, 2026. https://www.congress.gov/crs-product/IF13221.

[6] Adam Smith, "2017 U.S. billion-dollar weather and climate disasters: a historic year in context," National Oceanic Atmospheric Administration, January 8, 2018. https://www.climate.gov/disasters-2017

Flexibility is an important element of the CDBG-DR, but stability and predictability are also critical to successfully meeting program goals. The ad hoc nature of CDBG-DR has created challenges for CDBG-DR grantees and administrative oversight.

Delayed Access to Funding

While many federal disaster programs can be triggered by a presidential disaster declaration, CDBG-DR requires both presidential and congressional action, increasing the amount of time between disaster striking and funds reaching affected communities. For example, following the wildfires in California in late summer 2018, it took two months for a CDBG-DR supplemental appropriation to be enacted and another 16 months for HUD to allocate the funding to jurisdictions in the state.[7] After HUD issues Federal Register notices, it can then take grantees months to complete all of the required steps to enter into grant agreements.

Changing Requirements

Because CDBG-DR is not permanently authorized, each supplemental appropriation can come with different requirements, creating administrative burdens for grantees managing multiple disaster recovery grants. Program requirements depend on the language included in supplemental appropriations acts and the Federal Register notices implementing those appropriations. A July 2018 HUD Office of Inspector General report found that the agency was using 61 different notices to oversee 112 active CDBG-DR grants.[8] This increased administrative workload introduces unnecessary complexity for HUD in administering the program, increases communities' reliance on specialized consultants to navigate changing rules, and seemingly restrains communities' ability to plan for future disasters.

Fragmented Disaster Assistance

Different federal disaster response programs are initiated at different times, making it challenging for state and local officials to determine how to use federal funds in a comprehensive manner. The Government Accountability Office has reported that codifying CDBG-DR—including standardizing the requirements and using common

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[7] Government Accountability Office (GAO), "Disaster Recovery: Actions Needed to Improve the Federal Approach," November 2022. https://www.gao.gov/assets/gao-23-104956.pdf

[8] GAO, "Disaster Recovery: Better Monitoring of Block Grant Funds Is Necessary," March 2019. https://www.gao.gov/assets/gao-19-232.pdf

language—would allow states to "better plan their recovery and optimize use of their resources."[9]

Each disaster is an opportunity—a tragic opportunity, but an opportunity nonetheless—to make communities more resilient and to pre-spond to future disasters. The CDBG-DR is about the long game and rebuilding communities in ways that make people less vulnerable to future disasters. Lawmakers should ensure the program has the right structure and stability to help communities not merely recover but increase their resilience to potential future disasters.

[9] GAO, "Disaster Recovery: Actions Needed to Improve the Federal Approach," November 2022. https://www.gao.gov/assets/gao-23-104956.pdf