

COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY: FUNDING 101

After years of tireless work from the National Low Income Housing Coalition ([NLIHC](#)), its Disaster Housing Recovery Coalition ([DHRC](#)), and its 900 national, state, and local partners, the Reforming Disaster Recovery Act ([RDRA](#)) became law on July 11, 2026. The RDRA authorizes HUD's Community Development Block Grant – Disaster Recovery ([CDBG-DR](#)) program for three years.

The CDBG-DR program [provides](#) flexible grants to help [presidentially declared](#) disaster areas rebuild affordable housing and other infrastructure, distribute rental assistance, carry out mitigation and resilience activities, aid in economic development, and much more.

Congress has initially authorized the CDBG-DR program for three years. Ideally, the program should be authorized permanently to ensure efficiency, reduce unnecessary bureaucracy, and deliver aid quickly to disaster survivors. NLIHC, the DHRC, and its partners will continue to urge Congress to do so. Regardless, many HUD programs are often left with lapsed authorizations for significant periods of time without impact to program function and funding.

LET'S TALK DOLLARS

Authorization is critical because it allows a program to get regular funding and consistently carry out its functions. For the CDBG-DR program in particular there are two steps to determining the amount of funds available to a community under the program:

1. Congress must [Approve](#) funds for the program to use.
2. HUD must [Allocate](#) the funds provided by Congress between all eligible impacted communities using a to-be-determined formula.

CONGRESSIONAL APPROVAL OF FUNDS

Money will be put into the CDBG-DR program, like all federal discretionary programs, through the yearly appropriations process. The [Senate](#) and [House](#) Subcommittee on Transportation, Housing, and Urban Development (THUD) will be responsible for carrying out this process.

Many federal programs get their funding through discretionary spending – meaning their funding is determined by Congress every year through the appropriations process – rather than through mandatory spending – meaning a law determines how much money a particular program gets until that law is changed.

Every fiscal year Congress has to pass 12 appropriations bills that fund the government and keep it running – one being the THUD bill. Unlike the regular calendar year, a new fiscal year begins on October 1st and lasts until September 30th the following year. For example, FY26 lasts from October 1st, 2025, to September 30th, 2026.

In addition to the THUD bill, funding can also be provided to the program through supplemental disaster spending bills – like FEMA's Disaster Relief Fund. The authorization of the program gives Congress the flexibility to use either (or both) ways of funding the program.

HUD'S ALLOCATION OF FUNDS

HUD will be responsible for creating the specific formula that divides the total amount of money amongst states, territories, and tribes that experience presidentially declared disasters each year.

At the time of writing, HUD has not published the final formula. However, the Reforming Disaster Recovery Act does require the formula to:

- Consider the presence of a high concentration of damaged housing businesses that individual, state, Tribal, and local resources could not be reasonably be expected to address without additional federal assistance;
- Utilize nationally encompassing data to determine relative disaster impact and distress within communities and regions;
- Consider the unmet serious needs related to reducing the impacts of future disasters on low- and moderate-income households, property, and critical infrastructure.

WHAT'S NEXT?

Passing the RDRA is a monumental win AND we know the job isn't finished yet! Implementation is where the rubber meets the road. Next, we'll be focused on...

1. Ensuring HUD creates a final rule that establishes a more efficient and equitable CDBG-DR program.
2. Working with Congress to allocate sufficient funding to the CDBG-DR program.

We invite you to join us! We don't win by accident. We win because we have a strong, organized Coalition of organizations – many, if not all, with firsthand experience recovery from disasters – working together to create a just disaster recovery system.

The DHRC holds bi-weekly calls every other Wednesday at 2 pm EST. **Register here:** <https://bit.ly/3Rm08rb>

For additional information regarding NLIHC's Disaster Recovery, Research, and Resilience work, please contact Noah Patton, Director of Disaster Recovery (npatton@nlihc.org) and Senior Policy Analyst Meghan Mertyrus (mmertyrus@nlihc.org).