

CONSTRAINT AND OPPORTUNITY IN  
THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S  
COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY PROGRAM

Statement of  
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before the

**Committee on Banking, Housing, and Urban Affairs  
United States Senate**

**DISASTER RECOVERY ASSISTANCE - AUTHORIZATION OF THE  
COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER  
RECOVERY PROGRAM**

December 15, 2021

\*The views expressed are my own and should not be attributed to the Brookings Institution or its Metro Program, the Institution's leadership and Trustees, or its funders. I thank my former colleagues, Brandi Gilbert and Daniel Teles, for their assistance in the findings I present here.

## Summary

Chairman Brown, Ranking Member Toomey, and Members of the Committee, thank you for the opportunity to present findings from my past and ongoing inquiry into the US Department of Housing and Urban Development's (HUD) Community Development Block Grants for Disaster Recovery (CDBG-DR) program. My name is Carlos Martín, and I am a David M. Rubenstein Fellow in the Metro Program at the Brookings Institution, a nonpartisan research organization based in Washington DC. The views I express today are my own and should not be attributed to the Brookings Institution or its Metro Program, the Institution's leadership and Trustees, or its funders.

My research focus has ranged across many aspects of CDBG-DR, including: the processes associated with Congress' special appropriations and HUD's resulting allocations and guidance to state and local jurisdictions; jurisdictions' implementation and timeframe for completing recovery; and outcomes for households and communities in the throes of recovery after a significant hazard event. I have also evaluated instances of HUD's unique use of the CDBG-DR funds, including the 2013 Rebuild by Design competition, the 2014 National Disaster Resilience Competition, and CDBG for Mitigation after the 2018 hazard season.

I focus my comments today on a study I led beginning in 2017 in cooperation with HUD's Office of Policy Development and Research on the quantitative timing of recovery processes, and the qualitative sources of both delay and acceleration in them.<sup>1</sup> The study included all 88 CDBG-DR grants with housing activities that started between 2003 and 2013, a timeframe loosely bookended by Hurricanes Katrina and Sandy. We submitted the study in April 2019, and HUD published it January 19, 2021. I refer the Committee to that study for detailed observations but would like to impress on you today five fundamental patterns that we have consistently observe across the program and its grantees regardless of jurisdictional size, location, disaster damages, and political composition of state and local leaders.

First, the studies confirm that ***CDBG-DR is filling many needs that remain after a hazard event*** and after other assistance is exhausted, needs that persist particularly for residents that cannot recover on their own. CDBG-DR has been a critically important component of U.S. disaster response since its first use in 1993. Jurisdictions have come to depend on CDBG-DR not just in providing resources for their recovery but in being a bridge between recovery and long-term planning and housing. But, there is room for improvement.

CDBG-DR's lack of permanent statutory authority, second, has yielded operational challenges for HUD and its grantees. Codifying the program yields consistent program rules; standardized and more sophisticated reporting and recordkeeping; and more uniform technical assistance offerings. In turn, consistency prepares grantees before they receive funds—and, ideally, even before disaster strikes—to establish activities that comply with rules while responding comprehensively to residents' needs. Our study noted an increased efficiency, speed, and quality over a decade in HUD's processes after appropriations and rules are made, yet those rules vary with each appropriation. I have not studied grants for disasters after 2013 in the same detail, but it appears that these structural challenges remain. In fact, progress we witnessed appears to have recently receded as seen in delayed disbursements for Puerto Rico's recovery after Hurricane Maria. ***Opportunities to standardize rules and administration through permanent authorization abound.***

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<sup>1</sup> C. Martín, B. Gilbert, D. Teles, B. Theodos. (2019). *Housing Recovery and CDBG-DR: A Review of the Timing and Factors Associated with Housing Activities in HUD's Community Development Block Grant for Disaster Recovery Program*. April, US Department of Housing and Urban Development.

Third, the first months of recovery are marked by an insecurity and unpredictability of resources, including those that might come from CDBG-DR. Uncertainty delays action. Too often, local government is left not knowing whether and when resources are coming. Delay limits jurisdictions' ability to launch programs quickly and efficiently. In our study, the length of time between the hazard event to the point of HUD's allocation—that is, all the federal activity before state and local grantees are directly involved—plays a major factor in the length of time it takes the grantee to design, launch, and ramp up their programs after.

The study also collected repeated comments by state and local officials that emergency responders and case managers cannot inform households of their full range of recovery options because of the lack of knowing whether funds would be coming. This omission leads jurisdictions to scramble in identifying households and designing programs if resources arrive later. More concerningly, it leads families to make suboptimal decisions for their recovery in the absence of knowing that other resources might be made available and by delaying the release of eligibility and assistance terms to access them. ***Efficient—and early—resources and knowledge make a difference in lives and livelihoods.***

Fourth, many survivor households continue to slip through the cracks because they lack the financial and housing resources to wait or to absorb delays and changes from federal disaster response to recovery. Extremely low-income households are particularly vulnerable to delays and inconsistencies in disaster recovery assistance. In another study on the impacts of disasters on household finances, my colleagues and I found that the average resident suffers such a large financial deterioration after disaster that their credit scores go from fair to poor even up to four years after the event.<sup>2</sup> In survivor areas, people and communities that were more likely to struggle financially before disasters are also the hardest hit after.

This holds especially true of renters, many of whom are displaced from their existing housing by the disaster and are left to fend for themselves in a further tightened rental market or to relocate outside the region. The building of replacement rental housing, however, is not immediate. Our study found that the construction of new affordable rental housing is the second longest CDBG-DR activity overall (taking 4.6 years on average from the point of HUD allocation) and the longest once HUD disbursements begin (2.9 of the 4.6 years). A larger share of resources could be aimed at struggling families before the disaster hits, but ***it should also be easier for vulnerable households, who suffer longer and more deeply from even small financial hits and personal damages, to apply and qualify for assistance.***

Yet, fifth, there are still gaps in robust, consistent, and transparent data to confirm that the most vulnerable households are served. HUD has limited ability to monitor the outcomes of its funds in its existing reporting. In a study of the 2017 disaster season, consequently, I found that gaps in the collection and analysis of disaster data that support federal recovery plans reflect the gaps that low-income and other vulnerable households slip through.<sup>3</sup> ***Ensuring that data gaps are filled will help HUD and the federal government confirm that grantees will both use funds effectively and in ways that target households with the most severe and ongoing vulnerabilities.***

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<sup>2</sup> C. Ratcliffe, W. J. Congdon, A. Stanczyk, D. Teles, C. Martín, B. Kotapati. (2019). *Insult to Injury: Natural Disasters and Residents' Financial Health*. April, Urban Institute.

<sup>3</sup> C. Martín. (2019). "Understanding US Housing Data in Relation to the 2017 Disasters." *Natural Hazards Review*, 20(3), 04019007.

The need to begin recovery quickly, as well as to ensure that it includes the most vulnerable groups within survivor communities, is vast. Unfortunately, the current operational constraints of the CDBG-DR program often keep state and local grantees from filling it. Consistent rules and efficient resource delivery are central tenets of federal assistance programs of all kinds. On the whole, and based on my study findings, I believe that HUD has squeezed out most of the improvement in the CDBG-DR process and timing as they can. The remaining opportunities to serve the most severely affected communities and households quickly and effectively lie in removing the program's institutional bottlenecks.

I noted before that CDBG-DR is a bridge. Yet, that bridge has been temporary and ephemeral without the stability of statutory program authority or the security of resources to let households and communities decide their path to becoming whole again. The burden on state and local governments after disaster is made even heavier when they do not know the full regulatory parameters and magnitude of federal assistance, nor even whether Congress will appropriate funds and HUD will allocate that assistance at all.

If future disasters are certain, we must respond with equal certainty and purposeful clarity.

## Background

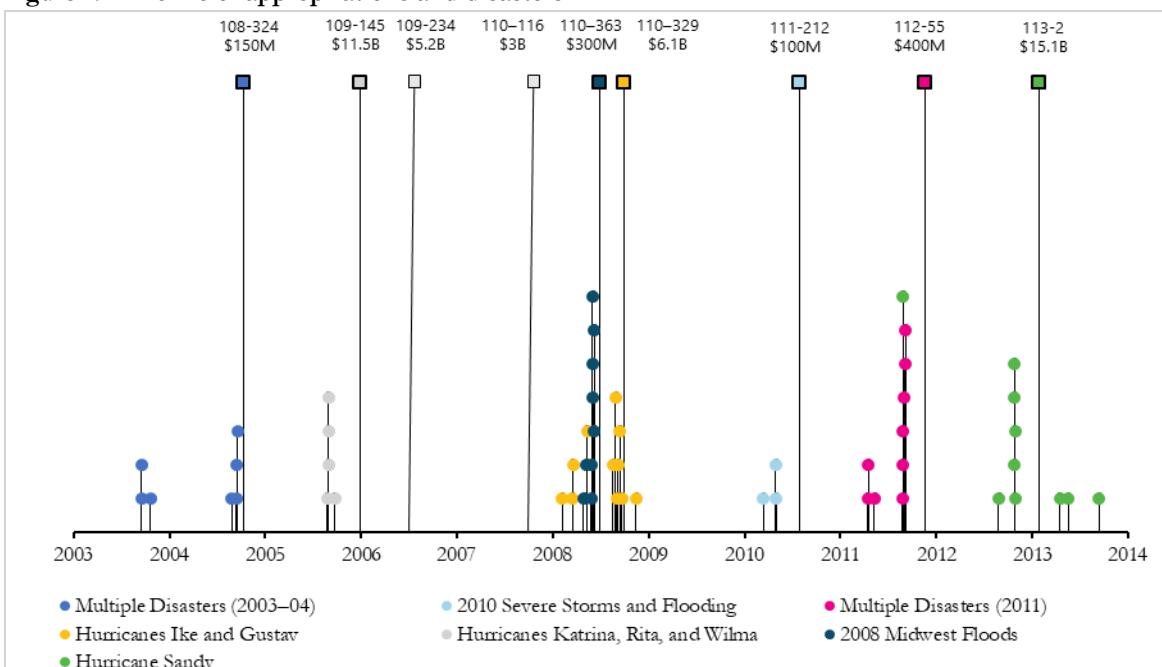
HUD's CDBG-DR program was first appropriated in 1993 under the authority of Title I of the Housing and Community Development Act (HCD Act) of 1974, known commonly as the CDBG program, and remains under the CDBG legislative authorization today. In contrast to non-disaster CDBG, CDBG-DR funds are congressionally appropriated to HUD after a presidential disaster declaration, and then distributed to states and entitlement county and city jurisdictions via a formula based on the scale of unmet financial needs due to direct property damages in the most severely affected place after households' insurance claim payouts and other federal assistance (HUD 2016; Eggers 2019). The dollar allocation for individual grantees as well as program rules are established via public notices for each appropriation. If a state government is the grantee, they often sub-grant to local jurisdictions to run their own recovery.

Congress has appropriated supplemental CDBG-DR following a wide range of hazard events going back to Hurricane Andrew in 1992, the 1993 Northridge Earthquake, and the 1995 Oklahoma City Bombing. Congress' allocation of approximately \$19 billion in CDBG-DR to five Gulf States following the 2005 Hurricanes Katrina, Rita, and Wilma was the first multi-billion-dollar disbursement and remains the largest (Boyd 2010, GAO 2009). More recently, CDBG-DR has issued grants up to the \$18 billion for 2017 disasters including Hurricanes Harvey and Maria and California wildfires.

## CDBG-DR's Current Role and Appropriations

Appropriations for disaster recovery are not consistently paced with disaster events (figure 1). The most straightforward appropriations are allocated for a single disaster or cluster of closely occurring disasters after their declarations. At other times, however, Congress has passed multiple appropriations or the same disaster over time; there were three appropriations for Hurricane Katrina, for example. Further, Congress has provided funds for all disasters occurring over a longer timeframe, leading to grants for disasters of both large and modest severity.

**Figure 1. Timeline of appropriations and disasters**



**Notes:** Figure displays appropriations during our analysis period (US FY2006-FY2015) and the associated disasters. Squares represent appropriations (public laws). Circles represent disasters covered by similarly colored appropriations, with stacked circles representing multiple declarations within the same month.

**Sources:** FEMA and Urban Institute review of federal appropriations and HUD grantee action plans

Over the last decade, CDBG-DR has become the second highest funded disaster-related program in the federal government (GAO 2019). With an increasing annual rate of the kinds of large-scale hazard events for which Congress appropriates funds to CDBG-DR due to climate change's effects as well as increased urbanization and asset valuation, CDBG-DR will certainly be called on in the future (Smith 2019).

CDBG-DR is different from other federal programs in many important ways. CDBG-DR is designed only to supplement other disaster programs, including those administered by Federal Emergency Management Agency (FEMA, which typically focuses on disaster response and short-term housing need) and the Small Business Administration (SBA, which provides low-interest rate loans to homeowners and renters in addition to businesses). Because it is a federal backstop, the processing of other federal assistance for each household must occur before CDBG-DR benefits. However, CDBG-DR does not have its own statutory authority. Instead, it relies on CDBG's general authority and program rules established for each individual appropriation.

However, CDBG-DR does not touch all recoveries across every U.S. disaster. Not every disaster receives a presidential declaration, not every federally declared disaster gets special appropriations, and not every special appropriation includes HUD CDBG-DR (Comerio 1998). Even when a community does receive HUD CDBG-DR funds, the funds do not reach all disaster-affected households and properties. Not every property owner in a CDBG-DR grantee's jurisdiction may be eligible for assistance depending on the grantee's requirements, not every eligible property owner applies, and not every applicant is approved. Among owners that are approved, not all complete their planned housing rehabilitation (Turnham et al 2011). The funds are not intended to make everyone whole but to help eligible households recover, especially when CDBG-DR appropriations may not meet the total estimate of unmet needs.

Despite these limitations, federal assistance accounts for most recovery funding (Lindsay and Nagel 2013), a majority of recovery assistance after severe disasters goes to housing, and CDBG-DR is the primary vehicle for that assistance. As such, CDBG-DR plays a critical role in communities' disaster management and recovery—especially their housing. Because of its importance, delays in its implementation and in achieving outcomes for households are noticeable and should be explored empirically.

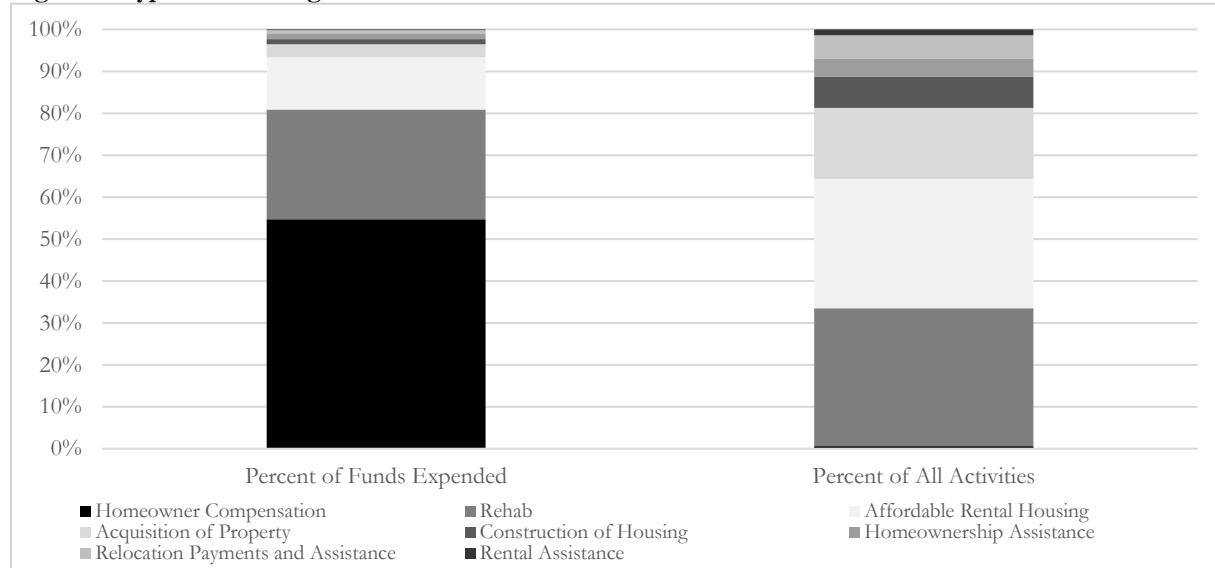
### **CDBG-DR Activities**

CDBG-DR allows for many types of activities that can be flexibly defined and adjusted to meet the grantee's conditions, provided that all funded activities tie back directly to the disaster in question; for example, beneficiaries of housing recovery assistance must have suffered direct property or possession damage from the named declaration. The 25 statutorily defined activity categories and additional related activities specified in HUD CDBG-DR notices all have foreseeably long-term repercussions for communities. HUD may modify or waive regulations, and some statutory provisions, and establish alternative requirements, to allow CDBG-DR grantees to address their local conditions and unmet needs (Boyd 2010). Despite the general flexibility that CDBG-DR permits in selecting activities, housing activities have tended to make up the largest proportion most grantees' use of funds.

Of the housing activities, grantees most commonly use CDBG-DR to rehabilitate or rebuild damaged homeowner and rental units. Construction of new single-family and multifamily housing is also common if the development is in the disaster-affected area and the existing stock is unable to meet post-disaster housing needs. Acquisition or "buyouts" of damaged properties and relocation of households to prevent rebuilding (for example, in floodplains) is an increasingly used activity (GAO 2009). Ultimately, it is the flexibility and variety of activity that has earned CDBG-DR praise with legislators and grantees alike.

Over 90 percent of housing expenditures were in three of the study's seven activity groupings (Figure 2). Homeowner compensation activities (direct grants to individual property owners) made up more than one-half of all funds expended despite being included in only 2 of the 51 grants (most notably, after Hurricanes Katrina and Sandy) and comprising only 14 of the over 2,300 activities. Rehabilitation activities (support for rebuilding through publicly procured contractors) were the next largest share of funds and account for one-third of all activities. Affordable rental housing, a required activity for many grants, accounted for 14 percent of all funds expended and just under one-third of all activities.

**Figure 2. Types of Housing Activities**



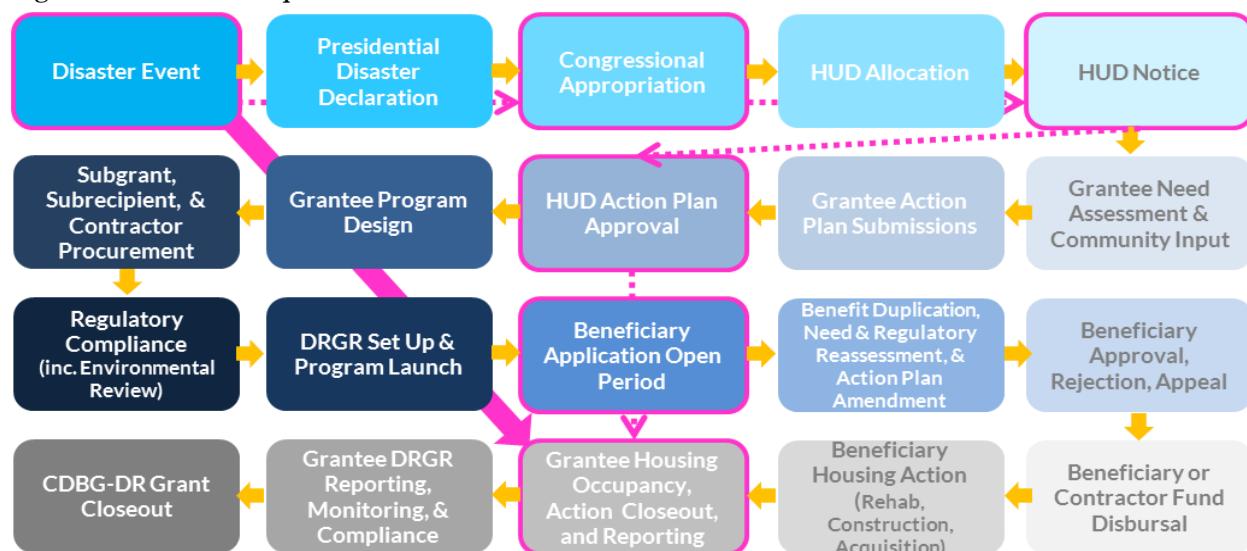
**Note:** Funds expended are adjusted to 2017 dollars.

**Source:** HUD Disaster Recovery Grants Reporting data for grants funded FY2006–FY2015

### CDBG-DR Timeline

Figure 3 shows the detailed sequence of events that occur when a Congressional appropriation is provided to HUD after a major hazard event for which there is unmet need.

**Figure 3. CDBG-DR Sequence**



**Source:** C. Martín from HUD (2016).

This sequence can be summarized into six primary steps in CDBG-DR lifecycle: disaster event, appropriation, allocation, HUD award, first expenditure, and activity completion. Table 1 shows the average number of years between each of the six CDBG-DR milestone dates and the 90 percent of funds dispersed cut-off for a sample of CDBG-DR grants from 2005-2015 (providing for disaster declarations from 2003-2013). Housing activities took an average of 3.8 years to complete from the time of declaration, 3.2 years from appropriation, 3.0 years from HUD funding allocation, 2.8 years from HUD award, and 2.1 years from the first expenditure. As such, an average 1.9 years passed after a disaster declaration before the first grantee expenditure for a housing activity. The housing activities, on average, then took 2.1 years to complete—almost the same timeframe. It took longer on average to complete entire grants than single activities, but other non-housing activities began much earlier. Grants took an average of 4.7 years to complete from the point of disaster, 4.1 years from appropriation, 4.0 years from HUD funding, 3.7 years from HUD award, and 3.7 years from the first expenditure. One year, then, transpired from the disaster to the first expenditure for a grant.

**Table 1. Time to Complete for Different Starting Points for Housing Activities and Overall Grants**

	<b>Years to Completion</b>	
	<b>Activity Mean</b>	<b>Grant Mean</b>
Disaster Declaration to 90 Percent Spent	3.8	4.7
Appropriation to 90 Percent Spent	3.2	4.1
HUD Funding Allocation to 90 Percent Spent	3.0	4.0
HUD Award to 90 Percent Spent	2.8	3.7
First HUD Grant Expenditure to 90 Percent Spent	2.1	3.7
Number of Observations	2,362	88

**Source:** HUD Disaster Recovery Grants Reporting data for grants which began or ended between FY2006–FY2015.

**Note:** Completion defined as 90 percent of activity funds expended.

Using performance data (that is, actual housing units completed) rather than expenditure data as were available for Hurricane Sandy grantees, we see a similarly stark overall pattern between individual activity and grant timeframes. As Table 2 demonstrates for Hurricane Sandy grantees, expenditures for housing activity began 2.3 years after the Sandy declaration, and was completed 1.4 years later. Yet, the average time between the disaster and the first expenditure on any activity for grants was only 0.7 years. Because the DRGR expenditure data for Hurricane Sandy grantees is complemented with detail around the timeline for individual households to receive CDBG-DR benefits, we see that the first household was assisted 2.4 years after the declaration, and the last household was served 0.9 years later (or 3.3 years after the declaration).

**Table 2. Time to Complete after Hurricane Sandy**

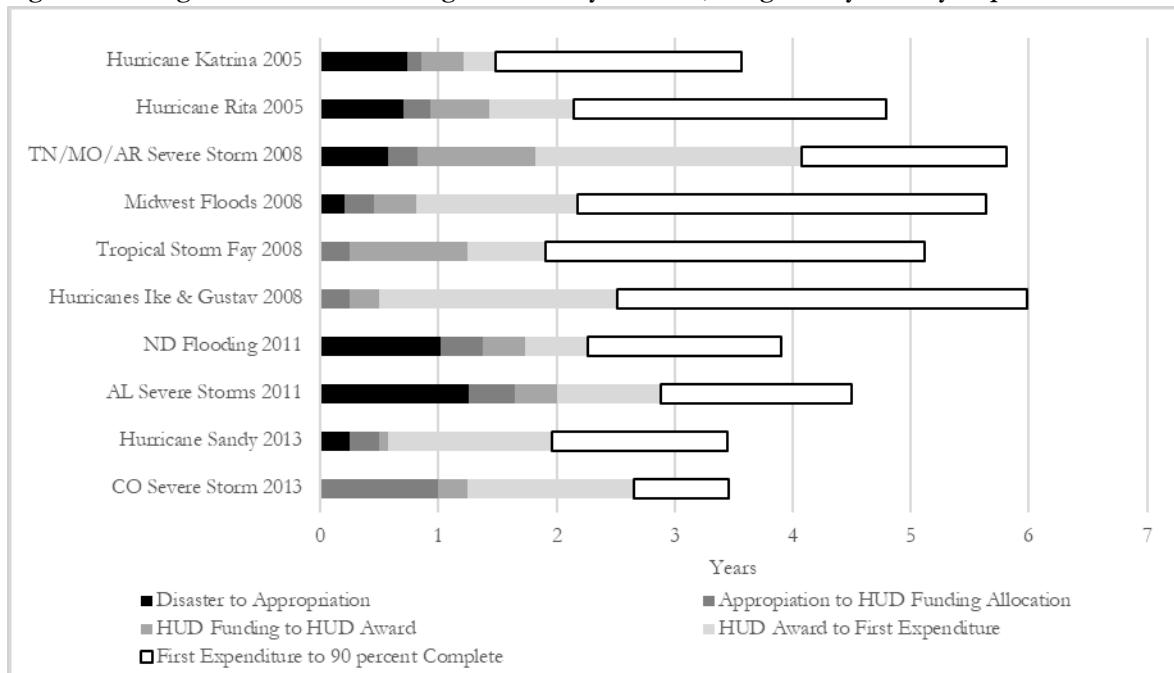
	<b>Years to Completion</b>	
	<b>Activity Mean</b>	<b>Grant Mean</b>
Disaster Declaration to 90 Percent Spent	3.7	4.2
Appropriation to 90 Percent Spent	3.5	4.0
HUD Funding Allocation to 90 Percent Spent	3.2	3.7
HUD Award to 90 Percent Spent	3.1	3.7
First HUD Grant Expenditure to 90 Percent Spent	1.4	3.5
First Assisted Household to 90 Percent Spent	1.3	3.4
Last Assisted Household to 90 Percent Spent	0.4	0.5
Number of Observations	158	3

**Source:** HUD Disaster Recovery Grants Reporting data for New York State, New York City, and New Jersey grants.

**Note:** Completion defined by final housing unit reported.

The length of time before the first housing activity appears to be quite long and corroborates the public perception of delay. However, housing recovery appears to be conducted swiftly after it starts—potentially suggesting that lengthy planning perceived to be inefficient may yield efficient implementation after program launch. However, each disaster for which CDBG-DR is appropriated is unique and timelines have varied accordingly. Figure 4 displays the average timeline by disaster, weighted by activity expenditure. Certain disasters were linked with longer recovery timelines. For example, recovery following Hurricanes Ike and Gustav in 2008 took almost six years whereas Sandy recovery ran to 3.5 years.

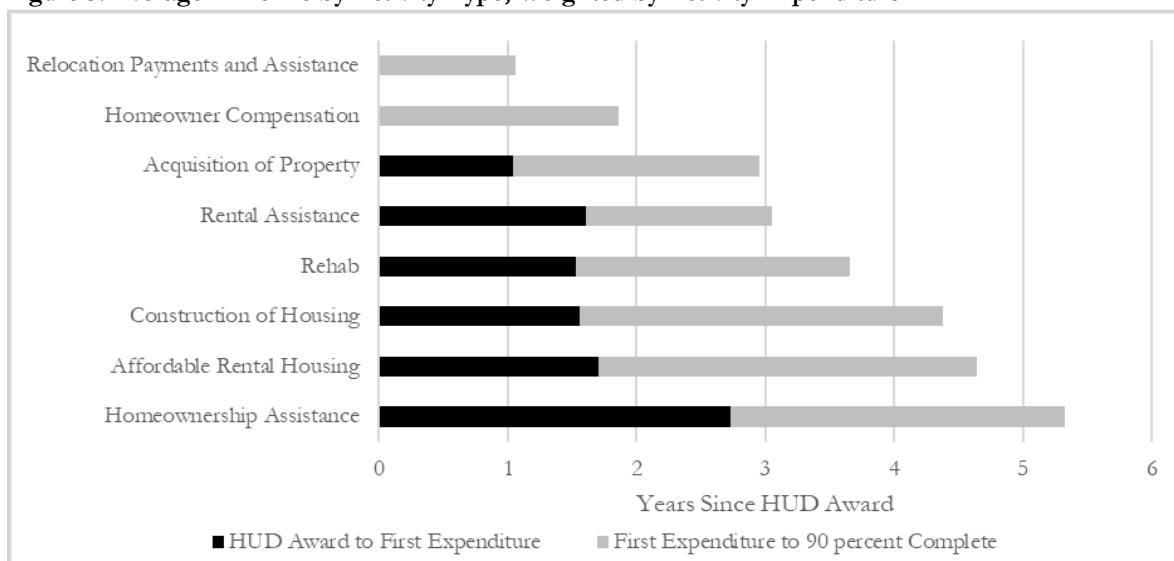
**Figure 4. Average Timeline for Housing Activities by Disaster, Weighted by Activity Expenditure**



**Notes:** Funds expended are adjusted to 2017 dollars. Activities related to Hurricanes Katrina, Rita, and Wilma were funded by three separate appropriations between February 2005 and December 2007.

**Source:** HUD Disaster Recovery Grants Reporting data for grants that began or ended between FY2006–FY2015

**Figure 5. Average Timeline by Activity Type, Weighted by Activity Expenditure**



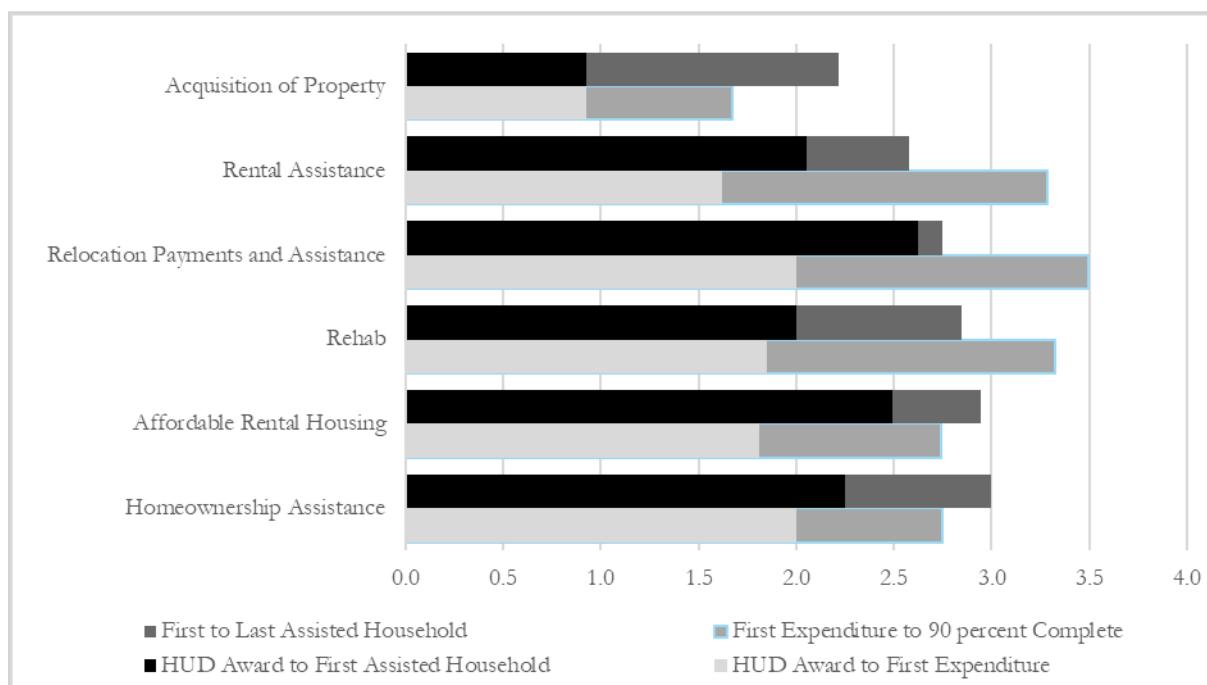
**Note:** Funds expended are adjusted to 2017 dollars.

**Source:** HUD Disaster Recovery Grants Reporting data for grants funded FY2006–FY2015

Figure 5 shows the activity-level averages of time from HUD award to the point of completion by activity type, weighted by activity expenditure. A fair amount of variation in time expended, at each stage, is visible across the activity types. Homeownership assistance activities took the longest on average—5.3 years. As expected, because they do not involve physical rebuilding or recovery effort, relocation payments and assistance were the fastest at 1.1 years on average. Rehab programs, the most common of all housing recovery activities funded by CDBG-DR, took an average of 3.7 years to complete.

Figure 6 shows the activity-level averages of time for Hurricane Sandy grantees after HUD award by activity type, weighted by activity expenditure. The figure shows both the timeline of spending and the timeline of actual accomplishments. The relative timing of accomplishments and spending varies by activity type. Activities classified as relocation payments and assistance report housing accomplishments over a condensed timeline (generally all at once) while spending is reported over 1.5 years. As a result, timelines look longer when examining spending than when examining accomplishments. A similar trend emerges for Rental Assistance payments, with accomplishments condensed over 0.5 years on average. In contrast, affordable rental projects, acquisition of property, and homeownership assistance show longer times to complete when looking at accomplishment data than when focusing on expenditures.

**Figure 6. Average Timeline by Activity Type for Sandy CDBG-DR Grantees, Weighted by Activity**



Source: HUD DRGR data for New York State, New York City, and New Jersey Hurricane Sandy grants.

#### **Contributing Factors to Delay**

There are unanswered questions about the effects of external factors like preexisting capacity in grantee jurisdictions and disaster severity, or the internal administrative challenges of implementing CDBG-DR housing activities. The averages and distributions of completion rates between CDBG-DR grants and specific housing activities do not explain what causes those rates to vary, especially when controlling for different types and the severity of disasters or grantee contexts. In turn, it is unknown which factors could be potentially adjusted to change the pacing.

Conversations with HUD CDBG-DR leadership shed light on preliminary factors that potentially shape the quality and the speed of grantees' housing recovery activities from the federal side, such as the predictability of congressional appropriations and their timing; the need to allocate, create program rules, and manage grants individually rather than as a standardized portfolio; gaps in federal staffing because of the program's lack of statutory authority; and the arbitrariness of some appropriations' deadlines for activity completion that are not based on standard building practices (such as developing new rental housing in tight land markets).

Several issues emerged that qualitatively appeared to shape how housing activities may be accelerated, particularly in relation to the effect of grantees' internal capacity and the CDBG-DR regulatory framework. The researchers also interviewed grantee stakeholders to explore operational reasons for delays. For example, the grantee staff's level of expertise, staff turnover, and program management systems were repeatedly identified as potential sources of time delays. Grantees also faced challenges with issuing subgrants and procuring contractors. These challenges ranged from establishing qualifications and eliciting an acceptable number of bidders, to oversight of the project. Along with HUD's procurement requirements, other federal regulations—such as environmental reviews—burdened grantees and added time to recovery completion. Grantee outreach to and case management for individual households were other causes of delay. Finally, contextual factors regarding the grantee's relationships with other jurisdictions (particularly where both state and local jurisdictions within the same state received grants or where a state subgranted to a local government) and with internal political transitions also appeared to shape recovery times.

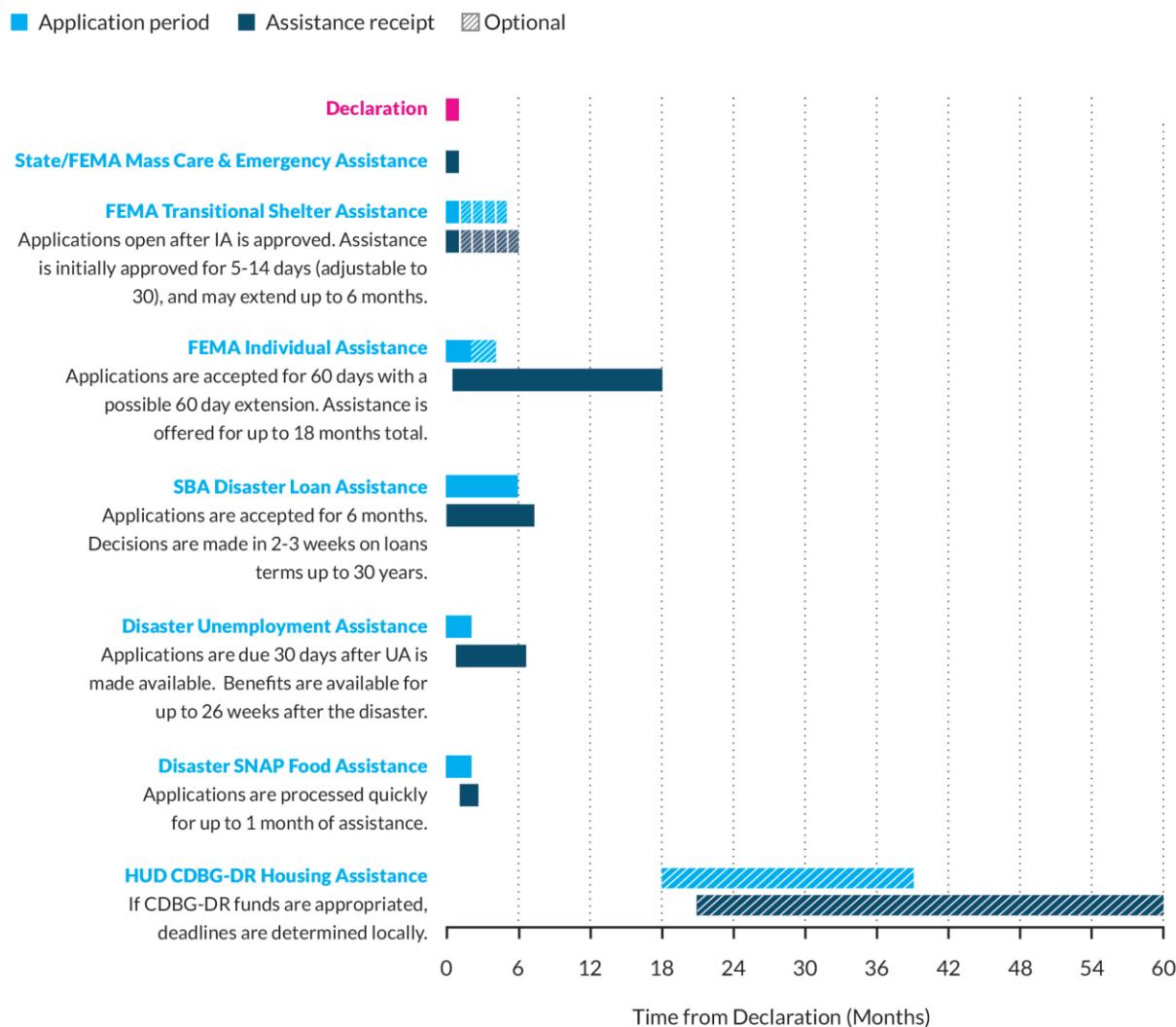
### **Effects on Vulnerable Households' Outcomes**

CDBG-DR is designed to be the backstop after all other private and public recovery resources are expanded. For vulnerable households, needs persist and are of a magnitude such that CDBG-DR is particularly relevant for them. Figure 7 demonstrates the timeframe of federal program's application periods and duration of assistance by statute and practice. Because CDBG-DR comes later, delays are that much more severe for households without resources to wait.

Disasters lead to broad, and often substantial, negative impacts on financial health (Ratcliffe et al. 2019). These negative effects persist, or even grow over time, for important financial outcomes. Individuals and communities more likely to be struggling financially before disasters strike are often the hardest hit by the disaster. We see relatively consistent evidence that individuals with lower credit scores before the disaster experience larger negative effects than other groups. Individuals with poor initial credit, for example, see larger declines in their credit score and a loss of access to credit cards that other groups do not, on average. For some disasters and outcomes, we also see larger effects in low-income communities and communities of color. Overall, these results are suggestive that disasters may be not just harmful for affected residents on average but may also have the effect of widening already existing inequalities.

Ensuring that low-income—and especially extremely low-income households—are served by CDBG-DR is a critical step in their recovery. However, additional delays and changes in program rules make it harder for grantees to be able to appropriately identify and serve these households. Consequently, it is likely that many low-income households ultimately have made other decisions about their recovery, including relying on other resources such as family and charity, to recover (Turnham et al. 2011). For recovery grantees and disaster-affected households, these gaps are detrimental; by not accurately knowing how damages have affected different households and communities, the national disaster response framework may perpetuate historical disparities. The focus of disaster-response agencies should be about people as much as hazard events. Developing a transparent, standard, and methodologically tested technical protocol for critical data collections is imperative, and they should include all necessary information that may be needed including a wider set of demographic characteristics than are currently collected.

**Figure 7. Federal Disaster Assistance Programs Prioritize Immediate Needs**



**Source:** C. Martín in Ratcliffe et al. (2019).

**Notes:** LIHEAP, Tax Relief, FHA Foreclosure Moratoria, and Fannie Mae/Freddie Mac Forbearance are not tied to specific or estimated timeframes because of either provider discretion or the nature of the relief actions. The Disaster Housing Assistance Program, which is not shown here, was available one and two years after a disaster for a one- and two-year period, respectively, both times it was enacted.

## Summary

Overall, the CDBG-DR grants in our sample, including non-housing activities such as infrastructure construction and economic development programs, took an average of 4.7 years to complete. However, housing recovery programs alone took an average of 3.8 years across all housing activity types from the point of the disaster declaration to complete.

Recovery times appear to have decreased over the study period; the housing activities created under the specific disasters of the 2013 Colorado floods and Hurricane Sandy, which also occurred in 2013, had the quickest completion rates at 3.5 years. Though many CDBG-DR grants after the study timeframe show a reversal of this pattern (particularly grants appropriated after 2017's Hurricanes Maria and Harvey and California's wildfires), a combination of factors appear to have led to this decrease in recovery times.

Yet, improvements have occurred in almost all stages of the recovery process. For example, the critical time between HUD's funding allocation and the grantees' activity completion, which is largely controlled by the grantees, has declined an average of 6.9 percent per year. The time for overall grant completion has declined 5.4 percent per year as well. The timing of HUD's actions, including allocation and grant award, has also shortened. In contrast, the earliest period in the sequence from the disaster event to Congressional appropriations varies widely and inconsistently across disaster declarations.

The longest phase continues to be in the grant execution—that is, the period after HUD awards funding to the grantee. Yet, this phase has also slightly decreased over time. While durations in the grant execution phase have shortened over the study years, breaking this phase further is revealing. There was an average of a full year's passing from the point of HUD's grant award to the first housing activity expenditure followed by over a year-long average execution of those activities. Much of that first interim is filled with planning, clarification of previous federal program aid sources, refinement of property damage and financial need assessments, preparing program launch, and interpreting CDBG-DR rules to avoid fund disbursement and legal or contractual challenges that would further add to delay. The efficiency in this stage, in turn, depended on the capacity and experience of the state or local government grantee—and, most likely, the amount of early resources they could access.

Constraints in local capacity might be overcome with effective technical assistance based on established program rules; competent consultant procurement, staff hiring, and management systems; knowledge of the local construction industry; and predictable, consistent, and significant financial resources. Several innovative solutions from past grantees may help current and future grantees address practical challenges around managing staffing flows, grant administration, recipient outreach, case management, and data management and reporting.

As the grantor, fund allocator, and grant monitor, HUD plays a critical role in ensuring that grantees move forward quickly and effectively. Recommendations for HUD, assuming CDBG-DR's current authorization, include expanding the number and capacity of HUD field office staff, defining program rules requirements as consistently and clearly as possible, providing concrete guidance to grantees on approaching recovery design decisions, and requiring better integration with long-term community development data, activities, and goals.

Some perceived delays in housing recovery due to changing rules can only be overcome by creating a standardized CDBG-DR statutory framework. CDBG-DR applies the regulatory framework of regular CDBG plus any special waivers as allowed by the appropriation, original allocation, and subsequent notices. Whole and partial waivers are common. In some cases, waivers are reasonable because disaster recovery requires different functions and fills different needs than non-disaster CDBG. Across grants, however, the inconsistent use of waivers has led to confusion, unintentional violations, and, in a few cases, undesired outcomes. Standardizing regulations would ensure that a permanent formal framework is in place for future disasters, reduce the volume of Federal Register notices and other informal forms of guidance for each disaster, and mitigate time delays in implementing assistance for future disasters.

Congress could permanently authorize CDBG-DR to increase certainty during the appropriation and allocation stages early in the recovery timeframe and to create consistent program requirements. Permanent CDBG-DR authorization would also allow HUD to be an integral component of the federal disaster response by statute so that it can more quickly collaborate with other emergency agencies and provide resources to disaster-affected communities rather than rely on interminable notices with varying requirements. A statutorily authorized program would provide resources for HUD staffing and knowledge and ongoing TA and capacity building for grantees and potential grantees.

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