



— OFFICE of —
INSPECTOR GENERAL
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UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

DISASTER RECOVERY DIVISION BIAENNIAL REPORT

May 2025 to November 2025

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OFFICE *of*
INSPECTOR GENERAL

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ABOUT THIS REPORT

Our office safeguards the U.S. Department of Housing and Urban Development's (HUD) programs from fraud, waste, and abuse and identifies opportunities for HUD programs to progress and succeed. To aid in oversight of HUD's more than \$109 billion disaster recovery program involving 107 grantees across the Nation, this bi-annual report focuses on disaster recovery funding, grantee spending, and program income. Future annual reports will focus on other matters related to HUD's disaster recovery portfolio and any issues of interest that may emerge. We curated this report in accordance with the professional standards of objectivity, independence, and due professional care discussed in the General Accountability Office's Government Auditing Standards (2024 Revision) to develop procedures to ensure accuracy of the information presented.



Unless otherwise noted, we used information from HUD's Disaster Recovery Grant Reporting (DRGR) system, which is the system of record for disaster grantees, as of November 17, 2025. For purposes of this report, we did not validate the information within DRGR.

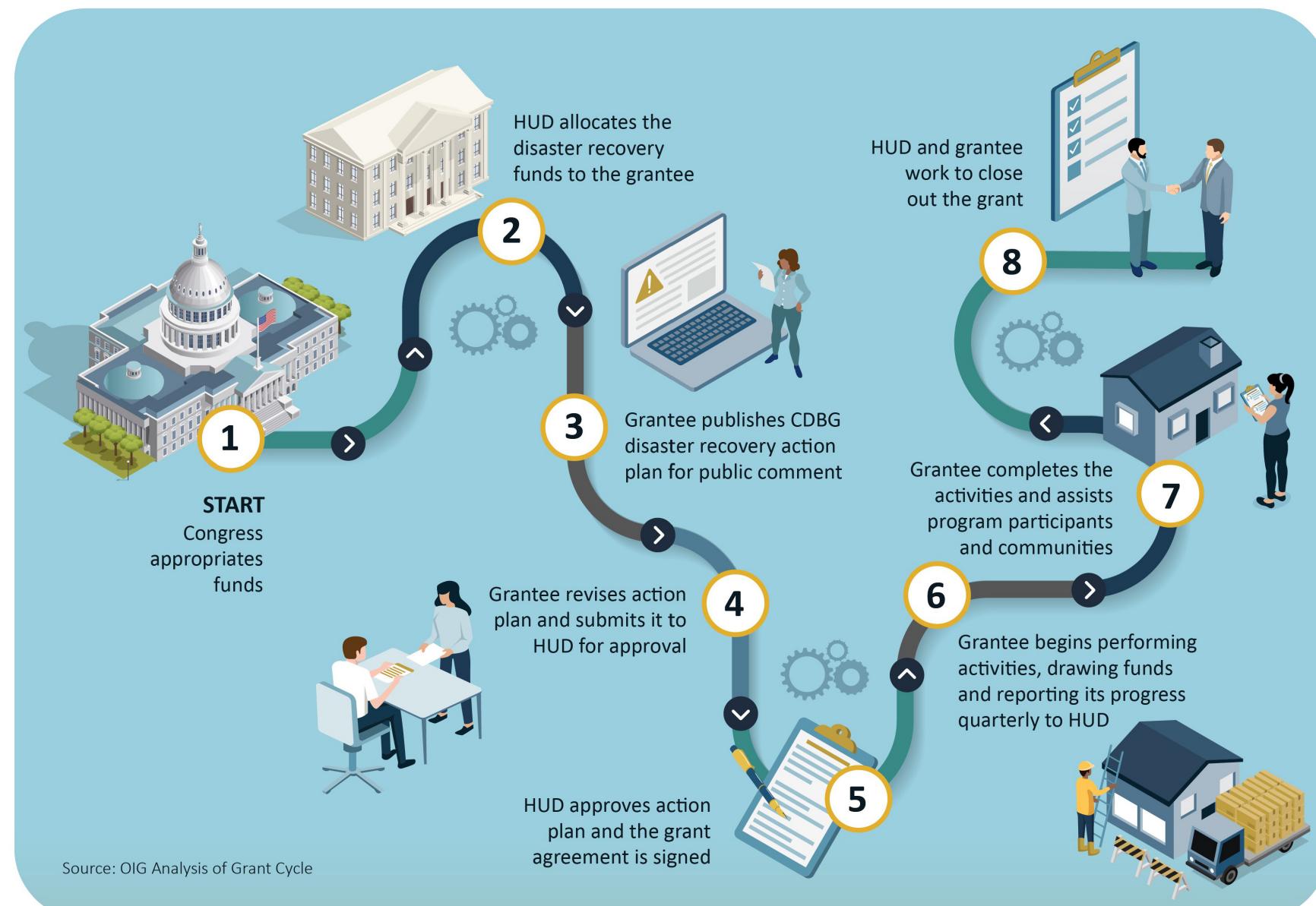
DISASTER RECOVERY GRANT CYCLE



After a Presidentially declared disaster, Congress may appropriate supplemental disaster recovery funding to HUD to assist in long-term recovery efforts under Title I of the Housing and Community Development Act of 1974. HUD's Office of Community Planning and Development allocates the funding to grantees and identifies the most impacted and distressed areas. Grantees include States, territories, cities, counties, and parishes. Grantees must prepare action plans listing the activities that they plan to complete with the funds. After HUD approves the action plans and required certifications, grantees can start to complete their activities to help people and communities recover from the disaster.

Grantees can either complete the activities themselves or use subrecipient(s). Grantees and subrecipients must follow all requirements including environmental, procurement, and building codes when completing disaster recovery activities. Further, grantees must report on their progress to HUD in their Quarterly Performance Reports. When grantees have completed all their disaster recovery activities and accounted for the grant funds, they can close the grant. While the process seems clear, we have reported significant timing differences that occur between the disaster declaration, Congressional appropriation, and when grantees receive disaster recovery funds.

DISASTER RECOVERY GRANT CYCLE



CONGRESSIONALLY APPROVED FUNDS

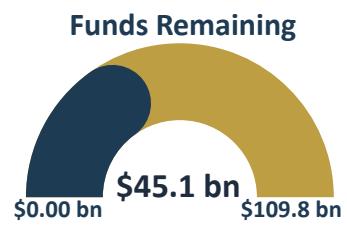
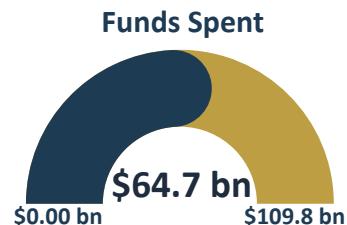
Since 2001, HUD has provided more than \$109 billion in Congressionally approved funds to 107 grantees for disaster recovery efforts and to mitigate damage from future disasters. **After** the 2011-2013 Hurricane Sandy appropriation, HUD awarded 83 grantees a total of \$65.4 billion through November 2025, of which about \$44.2 billion (68 percent) remains. Of the 83 grantees, 35 are states with grants totaling \$31.7 billion and 48 are non-state grantees, such as cities, counties, parishes, or territories, with grants totaling \$33.7 billion. Ten of the 83 grantees received \$52 billion (79 percent) of the grant funds, with Puerto Rico and Texas receiving \$20.6 billion (32 percent) and \$11.2 billion (17 percent), respectively.

Since the 2022 appropriation, nine Florida counties received more than \$4.6 billion collectively and Maui County, HI, received more than \$1.6 billion.



CONGRESSIONALLY APPROVED FUNDS

At a Glance



Disaster	Grant Amounts	Unspent Amount	Progress
2023 Additional Funding for Disasters in California, Alabama, and Georgia (A2G)	\$102,414,000	\$102,414,000	<div style="width: 100%;"><div style="width: 100%;"></div></div>
2023/24 Maui Wildfires and Other Disasters	\$11,889,437,000	\$11,879,983,647	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2023 Storms, Flooding, & Other Disasters in California, Alabama, and Georgia	\$138,020,000	\$137,088,128	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2022 Disasters including Hurricanes Fiona & Ian	\$3,395,351,000	\$3,040,762,304	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2021 Hurricane Ida & Wildfires (IDF)/2020 Hurricanes Laura, Delta & Zeta (LDZ)	\$6,470,553,000	\$4,356,158,074	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2019 Disasters	\$521,563,000	\$248,710,765	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2018 Disasters	\$2,927,732,000	\$1,361,351,700	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2018 Electrical Power Systems in Puerto Rico and USVI only	\$2,000,000,000	\$1,908,872,616	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2017 Hurricanes Harvey, Irma, and Maria (HIM)	\$17,851,484,000	\$6,988,195,557	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2016 Louisiana Floods and Other Events	\$2,604,529,000	\$186,953,108	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2015 Hurricanes Joaquin & Patricia & Other Events	\$400,447,000	\$31,192,792	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2015-2018 Mitigation (Includes HIM)	\$16,121,297,000	\$13,620,922,462	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2013 Natural Disaster Resilience	\$999,108,000	\$294,744,915	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2011 and Older Grants (Combined, including Sandy)	\$44,371,458,160	\$962,084,488	<div style="width: 99%;"><div style="width: 99%;"></div></div>

CONGRESSIONALLY APPROVED FUNDS

Older Active Grants (2001-2013)

From 2001 through 2013, which includes the Hurricane Sandy disaster grants appropriation, HUD awarded \$44.4 billion to 60 grantees. As of November 2025, grants to 36 grantees remain open with \$962 million unspent (2 percent of total amount).

These grants were awarded more than 10 years ago with some grants being more than 20 years old. While the grants awarded under the Hurricane Sandy appropriation initially had a required expenditure deadline for grantees, Congress waived this requirement making the funds available for use until spent. Since all Federal grants are required to have a period of performance, HUD set September 30, 2029, as the end of the performance period for grants under the Hurricane Sandy appropriation. All other previous appropriations did not specify a deadline for grantees to spend funds. In addition, since Hurricane Sandy, HUD has generally included a waivable 6-year expenditure deadline in its grant agreements. If HUD provides a waiver, then the grant funds remain available in accordance with the waiver provisions.



CONGRESSIONALLY APPROVED FUNDS

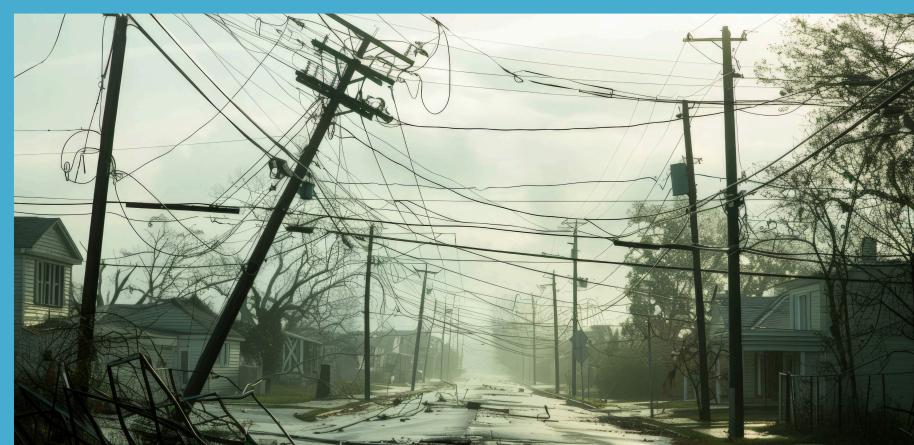
Older Active Grants (2001-2013)

Disaster	Grant Amounts	Unspent Amount	Progress
2011 Multiple Disasters	\$400,000,000	\$30,645,358	<div style="width: 95%;"></div>
2011-2013 Hurricane Sandy and Other Events	\$14,181,853,078	\$684,667,195	<div style="width: 98%;"></div>
2010 Severe Storms and Flooding	\$99,094,272	\$153,704	<div style="width: 99%;"></div>
2008 Hurricane Ike and Other Events	\$6,094,810,135	\$118,951,953	<div style="width: 97%;"></div>
2008 Midwest Floods	\$299,873,096	\$2,201,073	<div style="width: 98%;"></div>
2005 Hurricanes Katrina, Rita, Wilma	\$19,666,374,581	\$79,442,153	<div style="width: 99%;"></div>
2003-2004 Multiple Disasters	\$146,452,997	\$953,029	<div style="width: 99%;"></div>
2001 World Trade Center	\$3,483,000,000	\$45,070,023	<div style="width: 99%;"></div>

AT A GLANCE



OVERALL DISASTER FUNDING AWARDED



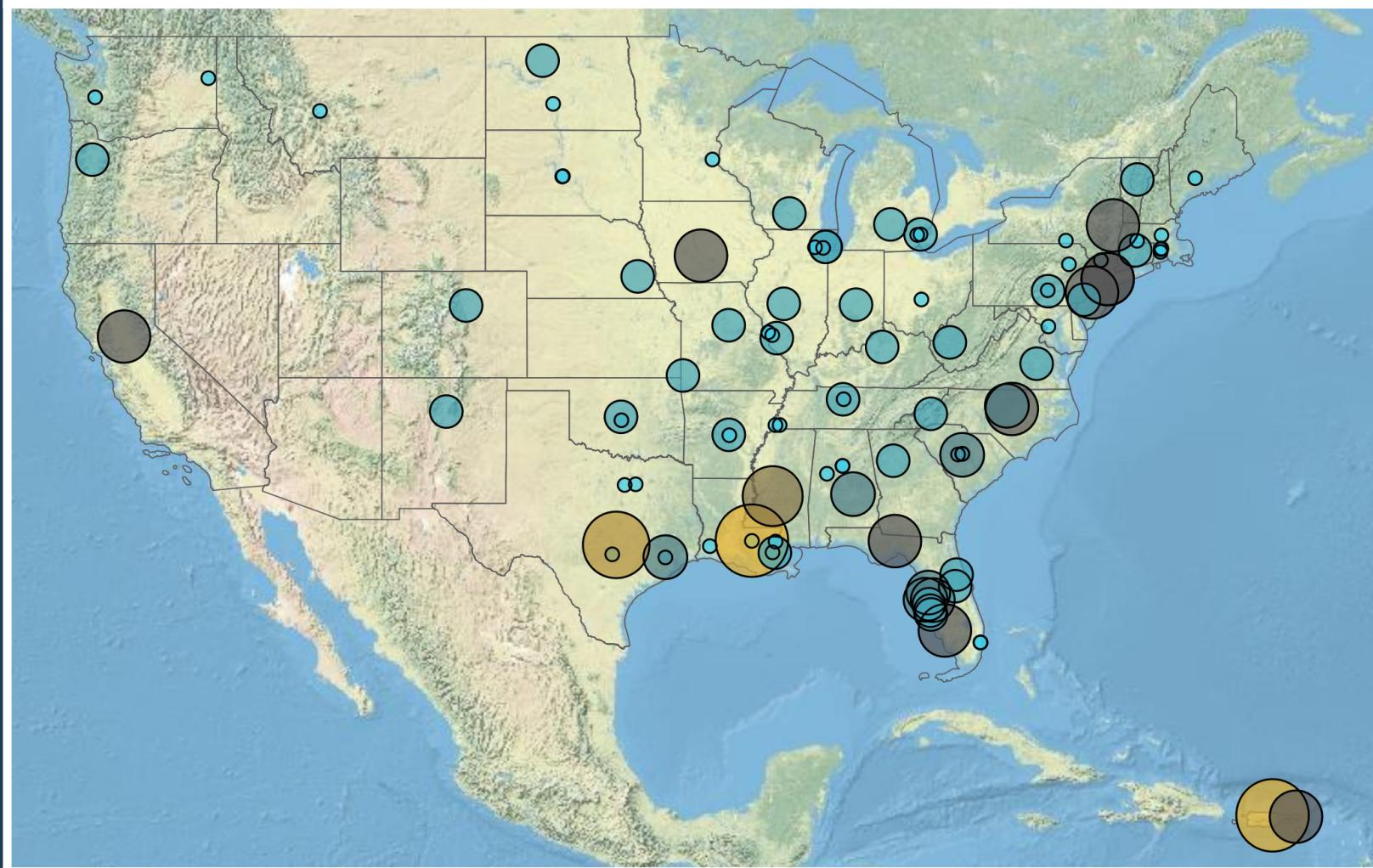
As shown on the map, disasters have impacted almost every area of the Nation and territories. Since grants are awarded in response to specific disasters, a grantee could receive multiple grants for multiple disasters. With more destructive disasters occurring, grantees need to be strategic in planning and using their grant funds to address unmet needs and mitigate future disaster risk. Our recommendations for HUD to pursue permanent authorization through legislative

action to codify the Community Development Block Grant – Disaster Recovery (CDBG-DR) program has garnered bipartisan and bicameral support. In July 2025, the Senate Committee on Banking, Housing, and Urban Affairs unanimously voted to advance the Reforming Disaster Recovery Act. If enacted, this legislation would establish a permanent and predictable funding process and requirements for HUD's disaster recovery program.

ADDITIONAL
DISASTER RECOVERY
GRANTEES
(NOT ON MAP)

OVERALL DISASTER FUNDING AWARDED

- Alaska
- American Samoa
- Commonwealth of the Northern Mariana Islands
- Guam
- Hawaii
(Multiple Grantees)



The center of the bubbles represents the location of the grantee not necessarily the location of the disaster-related damage.

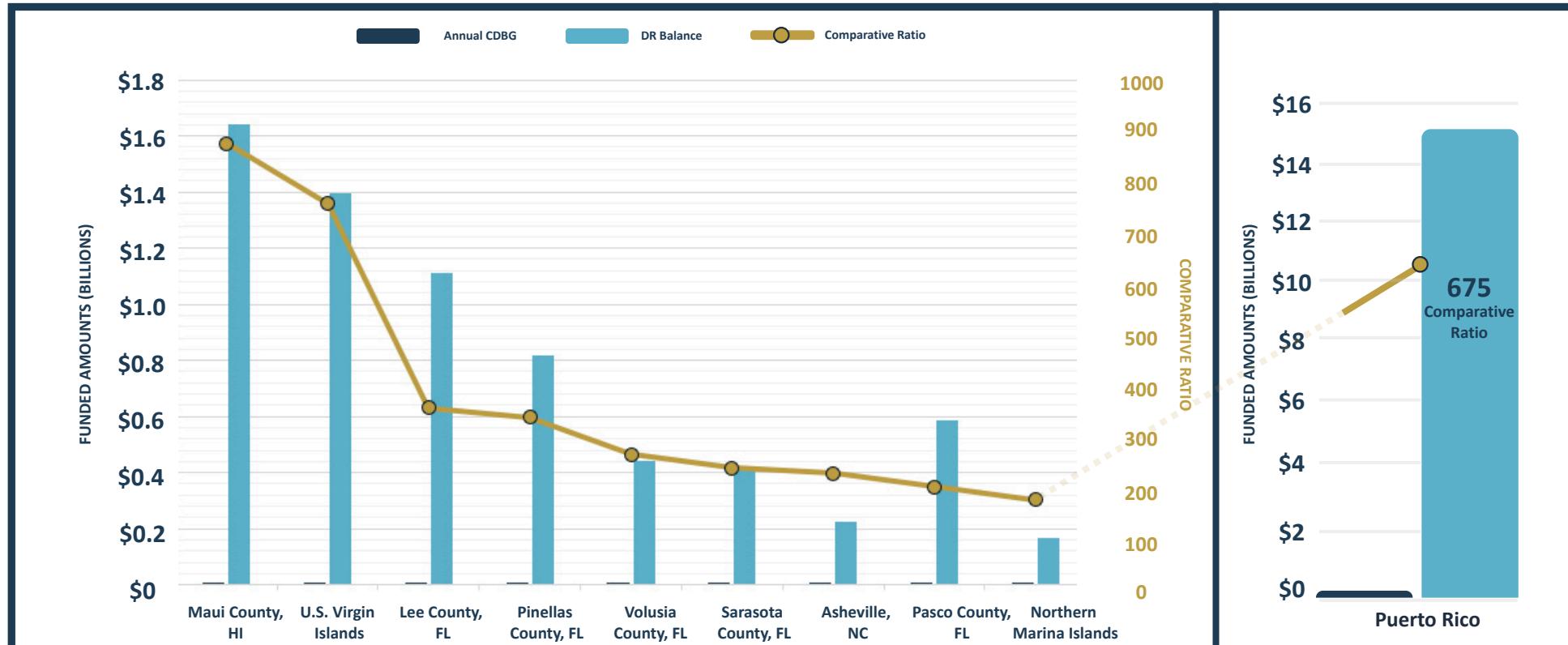
Disaster Recovery Grantees Capacity Risks



In addition to disaster recovery funds, disaster recovery grantees also typically receive an annual allocation of CDBG funds that need to be simultaneously administered. Administering multiple grants may strain a grantee's existing staff and resources. This capacity risk increases when the disaster recovery funding is significantly greater than the grantee's annual CDBG allocations. For example, Maui County, HI on average for the past 5 years, received less than \$2 million in annual CDBG funds. It has \$1.6 billion left to spend from its disaster recovery grant to recover from the 2023 wildfires. Maui County's unspent disaster recovery funds are 874 times more than their annual CDBG funds.

Another example is Puerto Rico, which on average for the past 5 years received almost \$23 million annually in CDBG funding. Its unspent disaster recovery funds of \$15.3 billion are more than 675 times its annual CDBG funding. The charts on the right show the top 10 grantees with the highest ratio of unspent disaster recovery funds to annual CDBG funding. Further, it shows the highest ratio, the average ratio, and lowest ratio. The average comparative ratio for all grantees' unspent disaster recovery funds is 55 times more than their annual CDBG funds, thus illustrating the capacity risk to successful program execution.

UNSPENT DISASTER RECOVERY FUNDS COMPARED TO ANNUAL CDBG FUNDS



GRANTEE SPENDING

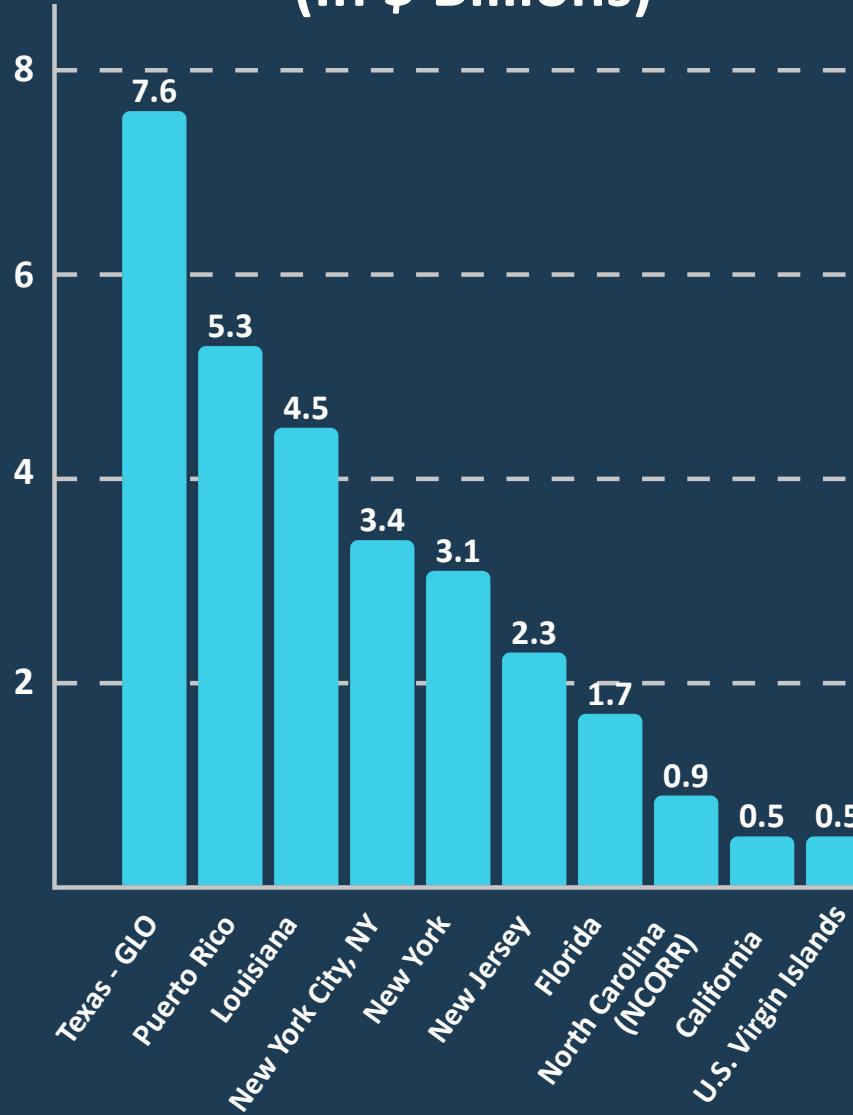


Generally, HUD disaster recovery grants are provided to address the unmet needs of low- and moderate-income communities, which are needs that are not covered by other funding sources and can be covered by disaster recovery funds. HUD requirements typically further limit use of the funds to the “most-impacted and distressed” disaster areas. Therefore, effective and timely spending is imperative to assist these communities in recovering from a disaster. The left side of the chart shows the top 10 grantees that spent more than

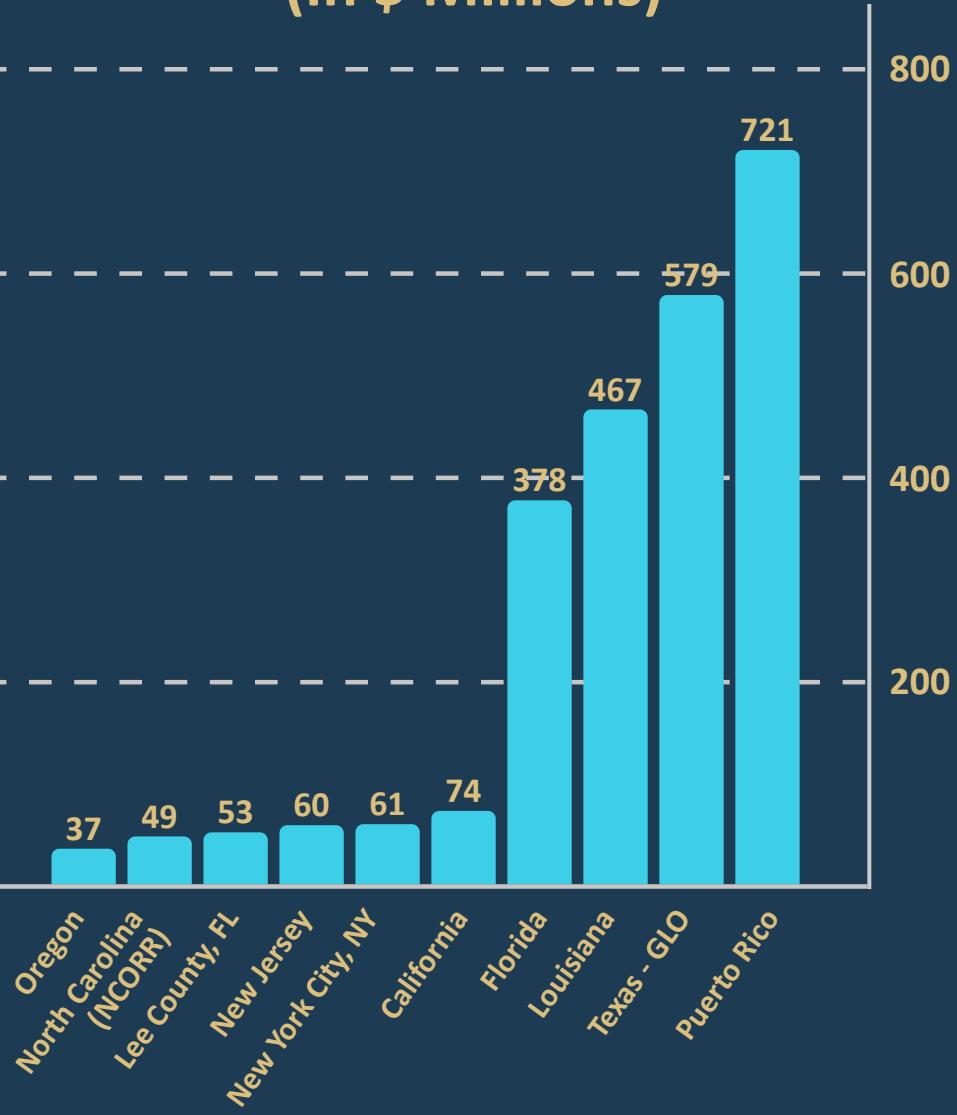
\$29.8 billion of the total \$34.4 billion (87 percent) spent by all grantees in the last 10 years. Data from the last 10 years was used so as not to skew the comparison with grantees that received and spent significant funds 15-25 years ago. The right side of the chart shows the top 10 grantees that have spent the most funds during the last 6 months, about \$2.5 billion of the total \$2.7 billion (90 percent) spent by all grantees in the same timeframe.

TOP 10 GRANTEES WITH THE LARGEST SPENDING

Spending in Last 10 Years
(In \$ Billions)



Spending in Last 6 Months
(In \$ Millions)



UNSPENT DISASTER RECOVERY FUNDS

Of the \$45.1 billion unspent funds, \$39.9 billion is from 5 supplemental disaster recovery appropriations as shown in the chart. Three of five appropriations are for disasters that occurred in the last five years. The other two appropriations were the second and third largest disaster recovery appropriations since 2001.

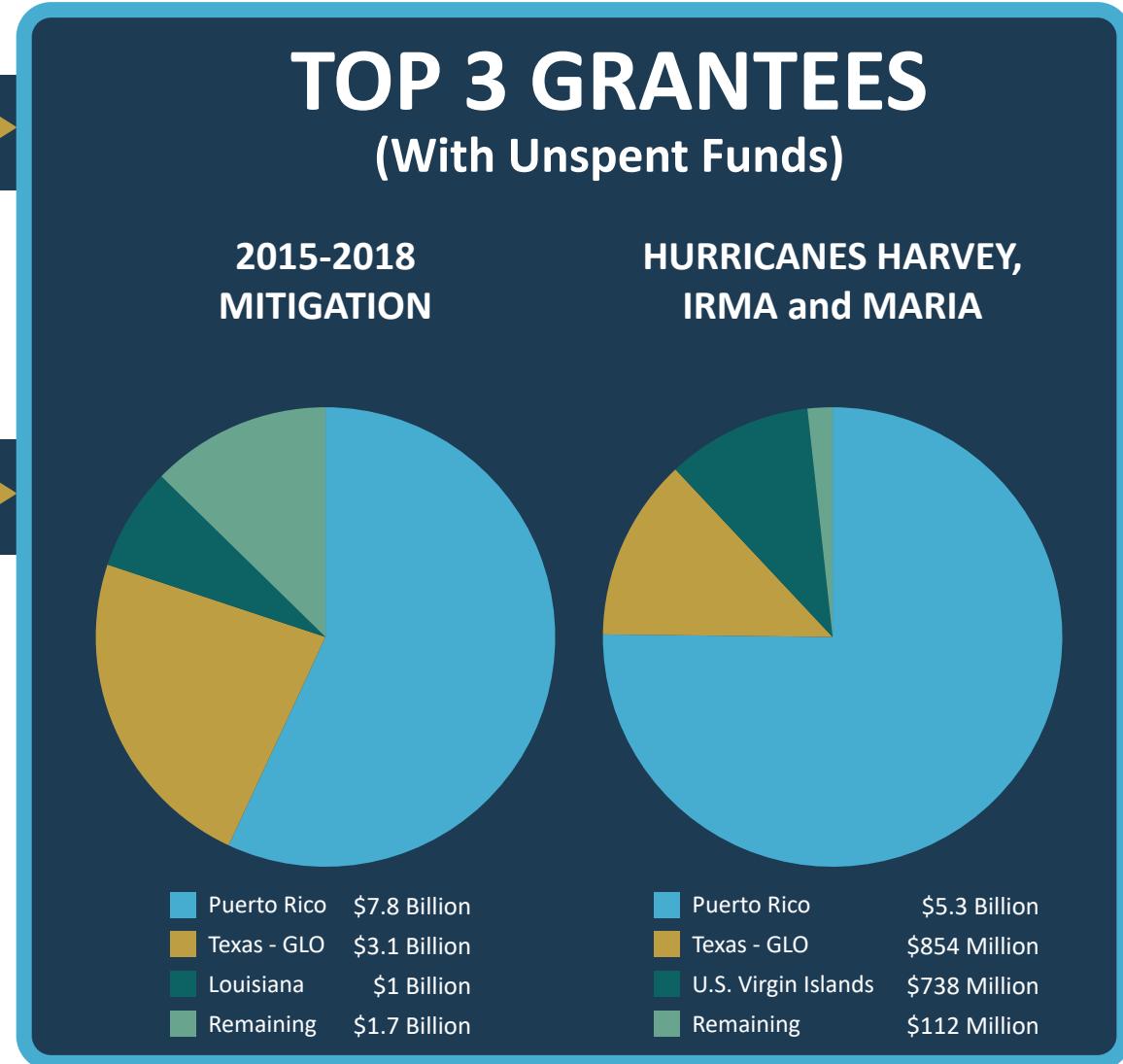
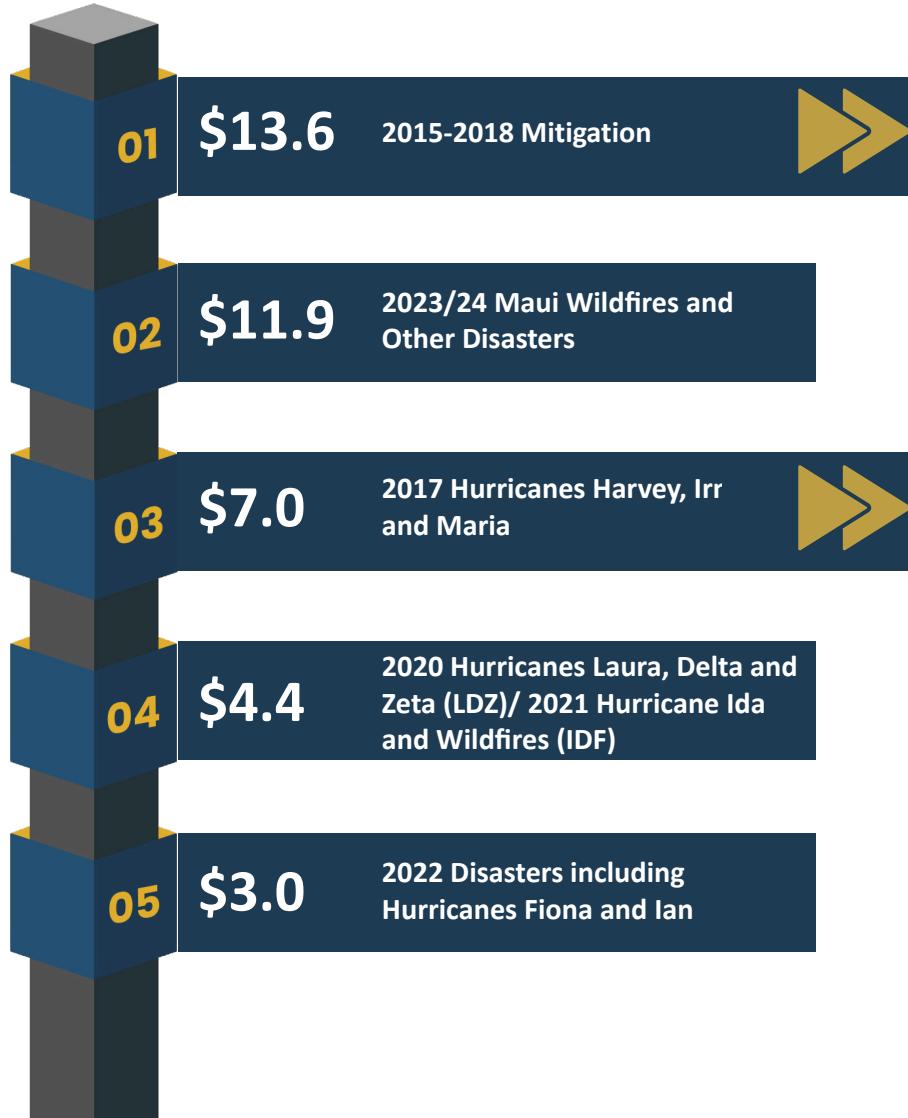


For the 2015-2018 Mitigation funding, HUD started allocating \$16.1 billion to 22 grantees in 2019 for mitigation activities with a spending deadline of 50 percent in 6 years and 100 percent in 12 years from the date of the grant agreement. Mitigation activities focus on the long-term strategies to increase resilience and reduce risk from future disasters. Activities include hardening housing and public buildings; improving drainage, roadways, and stormwater management; and buying properties in hazard prone areas and turning them into green space. As shown on the right, the grantees have \$13.6 billion (84 percent) left to spend from this appropriation. While expenditure timelines vary by appropriation, as of 2025, 6 years have elapsed since HUD first allocated mitigation funding.

The 2017 Harvey, Irma, and Maria funding was for more than \$17.8 billion with a 6-year spending deadline from the date of the grant agreement, which HUD has since waived for COVID-19 related delays along with allowing grantees to request an additional extension. HUD started allocating funding in 2018 and required grantees to spend most of the funding in the identified most impacted and distressed areas. Of the total funding amount, about \$7 billion (39 percent) remains unspent.

TOP 5 APPROPRIATIONS WITH UNSPENT DISASTER RECOVERY FUNDS

(In Billions)



PROGRAM INCOME

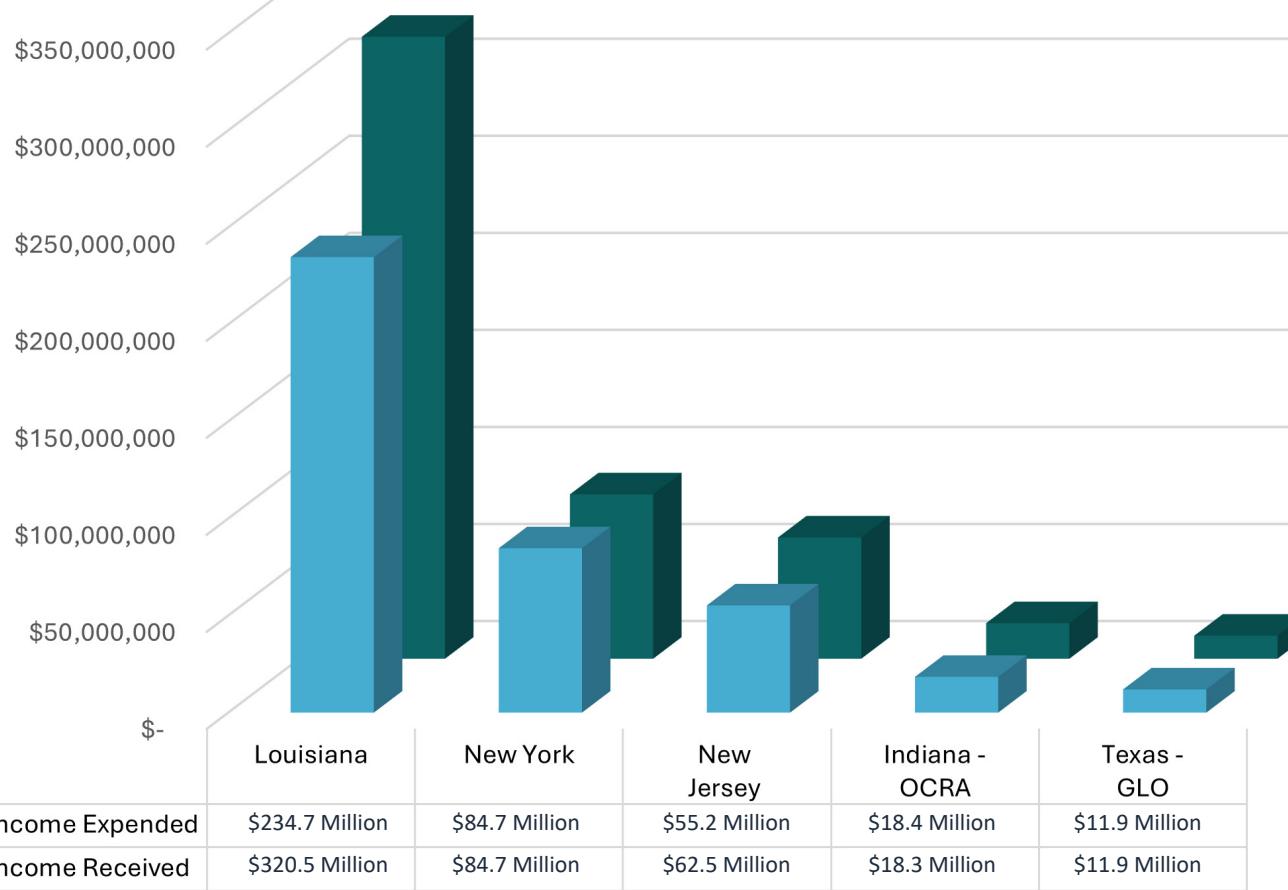
Program income is the gross income generated from the use of disaster recovery or mitigation funds received by a grantee or its subrecipient(s). Examples of activities that generate program income include loans for housing rehabilitation, economic development assistance, and activities that involve real property. For instance, if a grantee purchases an apartment complex with disaster recovery funds, the rental income would be considered program income. Program income can be an effective way for grantees to help more people and further their goals. If a grantee receives more than \$35,000 in a year, program income must be reported to HUD. Further the grantee's program income must be (1) used in compliance with the same requirements as its disaster recovery grant funds; (2) used before spending available disaster recovery grant funds; and (3) spent on approved activities.



Of the 338 disaster recovery grants, only 33 grants (20 grantees) have used their disaster recovery funds for activities that generated program income. To date, 20 grantees have reported a total of \$526 million in program income. The top 5 grantees generated \$498 million (95 percent of the total) in program income. Grants **before and including** the Hurricane Sandy appropriation generated \$510.8 million (97.1 percent of the total) of the program income with \$92.6 million left to spend.

PROGRAM INCOME

TOP 5 GRANTEES



OVERVIEW

\$498
Million

Total Program
Income
Received by
Top 5 grantees

\$405
Million

Total Program
Income Spent
by Top 5
grantees



Other Disaster Recovery Non-Monetary Benefits

While our audit reports can result in monetary results, often the reports result in improvements across HUD and the grantees' operation of the disaster recovery program. In 2024, our office began tracking and reporting non-monetary outcomes (non-monetary benefit) from recommendations closed on or after October 1, 2022. We claim a benefit once a recommendation has been implemented and there is a clear cause-and-effect link between the corrective action taken and resulting improvement. As shown in the chart to the right, since 2022, we have claimed 65 instances in which our recommendations improved HUD's or the grantees' administration of the disaster recovery program(s). Examples of claimed benefits consist of HUD including a consolidated notice in its Federal register notice to speed disaster recovery assistance to impacted grantees and a grantee updating its action plan and program guidelines to measure the impact of the program based upon the increase in the number of individuals and families that become homeowners.



Other Disaster Recovery Non-Monetary Benefits



Enhanced Accuracy

10



Guidance Enhancements

10



Increased Program Effectiveness

39



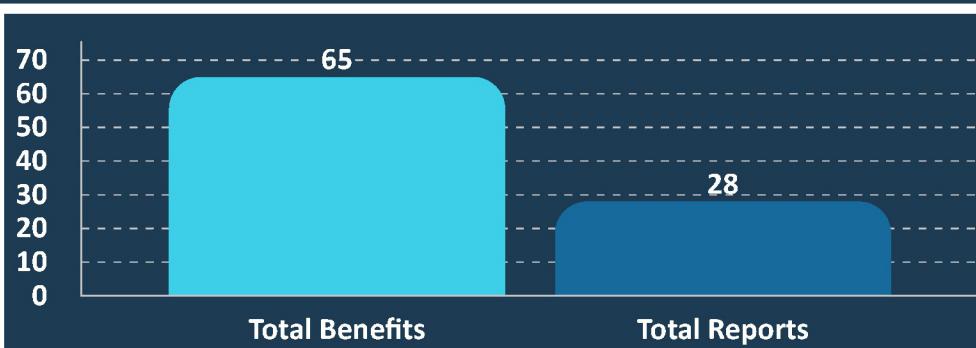
Process Improvements

6

HUD and grantees' actions to address our audit results often lead to meaningful improvements, even when no direct cost savings are involved.

We aligned our benefit categories to mirror outcome-based results, such as increased transparency, efficiency, and effectiveness.

Some recommendations resulted in multiple benefits.



65

**TOTAL
DISASTER
RECOVERY
BENEFITS**

HELP STOP WASTE, FRAUD, & ABUSE



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